Daily Report

East Europe

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NOTICE TO READERS: As of 2 January 1991, television sourcelines in the DAILY REPORT will reflect how a station identifies itself. In most cases, this change eliminates the "Television Service" designation in favor of the station identification as broadcast. The presence of a new television sourceline reflects this change in policy, rather than the establishment of a new station or network.

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Border Command Warns Against Crossing 'By Force'

AU3112150490 Tirana Domestic Service in Albanian 1430 GMT 31 Dec 90

["ATA Statement"]

[Text] A foreign radio station, through deceptive reports, is trying to incite our citizens to commit the act of illegally crossing the border, which allegedly will be opened for passage without visas and passports. To clarify matters for the public and to refute these false and malevolent reports, we met a representative of the Border Command of the Ministry of Internal Affairs, who explained to us:

This is an absurd report that is being spread by anti-Albanian circles for dark purposes and with perverted intentions, to deceive people and to create incidents at the border. It is therefore demanded that people not fall prey to such base provocations, because the border is guarded by the border forces, and attempts to cross by force are fraught with consequences, and may result in serious consequences to life and for the territorial integrity of our homeland.

As is well known, every citizen may be supplied with a passport and may leave in the normal way, without embarking on such dangerous methods.

Border Crossings Continue

AU3112142290 Belgrade BORBA in Serbo-Croatian 29-30 Dec 90 p 20

[Unattributed report: "There Is No Money for Passports"]

[Text] Ulcinj—People are continuing to flee from Albania to Ulcinj [on the Adriatic coast in Montenegro, close to Albania]. The Ulcinj Secretariat for Internal Affairs has told us that a group of 11 people, including four babies, escaped to Ulcinj yesterday. A group of eight people fled the day before yesterday.

This December, 112 Albanian citizens have fled and since the summer more than 200 people have escaped. Let us recall that on 19 December, Albanian border guards shot at quite a large group of fugitives during the night. There were dead and injured on this occasion.

In reply to the question of why they are fleeing when passports are already being issued in Albania, they state that one needs so much money for a passport that this is a veritable small fortune, and poor people do not have this sum.

At the same time (27 December), the Democratic Party of Albania held a meeting in the Cultural Center in Tirana and on this occasion removed a bust of Enver Hoxha from the congress hall. We reported yesterday that the bust had watched over a meeting of the National Aktiv of the Albanian Party of Labor which ended in the same hall only a day earlier. It has now gone, and it is not known whether it will be returned.

Government Holds Special Meeting on Refugees

AU0201091291 Tirana ATA in English 0900 GMT 2 Jan 91

["Special Meeting of the Presidency of the Council of Ministers"—ATA headline]

[Text] Tirana, January 2 (ATA)—A special meeting of the Presidency of the Council of Ministers presided over by Comrade Adil Carcani was conducted on January 1 evening. This meeting, which was attended also by some members of the government, examined the situation created recently in the Albanian-Greek border in Sarande District, which is crossed illegally by an undefined number of citizens, the majority of whom are members of the Greek minority in Albania. Among those who have crossed the border there are many persons who are long since equipped with regular passports, but who have not yet been able to receive the visa by the Greek Embassy in Tirana.

The meeting underlined that the PSR of Albania has not incited and does not incite the departure of its citizens from their country, as claimed by certain circles. The Albanian Government has shown special care and attention to the equal development of the Greek minority with their Albanian brothers in Albania. It observes the international norms and the Albanian legislation guarantees the right to move abroad to every person who wishes such a thing. Hence there is no reason of crossing the border illegally.

The meeting of the Presidency of the Council of Ministers underlined that the Ministry of Foreign Affairs of the PSR of Albania is in contact with the Foreign Ministry of the Hellenic Republic to avoid such an abnormal situation.

The presidency of the council of ministers decided on the creation of a governmental team to examine the situation closely.

Article Views Causes, Results of Emigration

AU3112211490 Tirana DRITA in Albanian 16 Dec 90 pp 5,16

[Prec Zogaj article: "Everybody's Homeland"]

[Text] One does not speak of the deceased in his own house, and, even though we have similarly experienced a loss, we have tried to pass over in silence the phenomenon of the legal or illegal departure of our compatriots for different states in Europe. Nevertheless, however we behave, it is an Albanian phenomenon and an aspect of our life today to which we respond with indignation, amazement, pain, and tears, and which neither silence nor curses can deny. Despite the genuine progress of democracy, this hemorrhage is not stopping. As the Italian media report, the Durres-Trieste shipping line takes more people away than it brings back. The same is true of the airplanes taking off from Rinas Airport. I do not know to what extent these reports are true, but as a

citizen of this country. I know well that many young people's minds are wandering through Europe and America instead of thinking about working to bring progress to a modern and democratic Albania here. Some have fled physically, others in their imagination. So far, we have worried little at the gaps these departures have created, even the spiritual emptiness felt by mothers and relatives. We have said little or nothing about how we have been morally hurt to the quick in our feelings of brotherhood and our collective responsibility. In these times, when national unity regardless of opinions has come on to the agenda, young Albanians are taking to the high road and breaking off their ties with the homeland. For many years, we have been vigilant and have spent ourselves in defending the country from the foreign enemy, and for many years, perhaps for the same reason, we have stood apart from the continent to which we are geographically linked; now, we Albanians ourselves are jeopardizing the homeland from within; we are exiling ourselves and have run out of strength for work.

All this seems a great paradox in our history. The paradox lies in the rush of escapes in the year of democracy, and they continue as democracy deepens. However, I do not think this is entirely the case. First of all, democratization would have inevitably brought to the surface the tensions which have accumulated through the years. Second, in a Europe which is being reconstructed at high speed, not everybody has been or is satisfied at the pace of the changes or their range; not everybody agrees with the idea of possible changes merely within the covers of the existing political book, some because they are sincerely committed to the need for pluralism, some because they are right-wing extremists. Finally, not everybody pays heed to politics. Therefore, the signal to cross the border, never to return, has also tempted snobs, adventurers, and apolitical people (such people will always exist), as well as people dissatisfied with their treatment and position and political opponents of the regime. I think the common denominator of this heterogeneous group lies in weak ties to the homeland.

Leaving to one side the level of our economic development, I would emphasize two other causes that lead to a weakening of ties with the homeland. I think that the first cause is that pointed out by Comrade Ramiz Alia at the 12th Albanian Workers Party Central Committee plenum, i.e. the failure to always find a correct balance between the class struggle and national unity. In a virtually homogenized society like ours, I think that the class struggle was principally and often waged artificially, as a confrontation of official concepts and opinions with free thought. It now turns out that the crime of verbal offense [delikt verbal] was largely the crime of alternative pluralist thought. It was natural that the effects of this law, which enabled arrivistes and speculators to strike out whenever they wished, would be fatal to national unity and the human personality. Closely connected with this first cause is the phenomenon of the de facto exclusion of ordinary people, including perhaps even intellectuals and elected deputies from the right to take part in the country's political life, putting them mainly into the positions of those who act on instructions [pozita zbatuese], something that could not fail to be reflected in a cooling of patriotic feelings and a decline in dedication to work.

The strengthening of democratization and the establishment of political pluralism create an opportunity to eliminate the causes that lead to a weakening of ties with the homeland. It is now realized that practice as the criterion of truth does not rectify mistaken measures quickly, or does so with pain. There is therefore the need for consultation, to the extent of a people's plebiscite, about the important issues. Now everybody has the right to express his own view and the right to organize on the basis of his views, all in the interest of the country's prosperity. There is no political reason to leave the country.

We all hope and desire that pluralism, eliminating the causes we mentioned, will not create conditions for divisions and splits in Albania. We have a national flag that stands and must stand above all flags of ideology. It will no doubt be raised aloft if the flags of ideology do not clash beyond the table of political dialogue, with a respect for human and political ethics. Our history, alongside brilliant examples of unity, also unfortunately provides examples of political triumph following bloodshed. We must put this kind of triumph behind us once and for all, otherwise we will not build democracy but anarchy or dictatorship, something which would be a catastrophe. The test of our civilization as a nation has now begun. The homeland belongs to everybody. Nobody has a monopoly on it. This means that, as we establish pluralism in a peaceful way, we must respect the state's laws and go toward free elections as a dignified nation. This means that we should know how to assess our needs and first of all the needs of the homeland. Let us not let this sacred burden fall from our shoulders, but return to our work and our classes, because it is we and nobody else who will make the homeland prosperous.

Alia Sends New Year Message to Nation

AU3112220090 Tirana Domestic Service in Albanian 2100 GMT 31 Dec 90

[New Year greeting from People's Assembly Presidium Chairman Ramiz Alia to the Albanian people; place and date not given—live or recorded]

[Text] Dear comrades, dear brothers and sisters, good evening and happy new year.

We are turning the final page of the 1990 calendar, and it is natural to ask the questions: What was last year like? What will next year be like? 1990 was a special year. In the field of material production, we are not satisfied with the year we are seeing out. We encountered major economic difficulties, which we still feel. However, I

have faith that 1991 will be a turning point. The extension of the new economic mechanism to every sector, the full introduction of measures to consolidate agricultural cooperatives and to supplement farmyards with land and livestock, the competition of many forms of property, labor, and initiative, and the expansion of economic and financial cooperation with foreign firms and countries will create new and greater opportunities to invigorate the economy in all fields.

The task of all patriotic citizens, workers, peasants, intellectuals, and young people is to feel more responsible than ever for the duty they bear to the country. Albania belongs to everybody and demands work and determination from everybody. It demands stability, calm, and social responsibility. It is in major tasks that one recognizes genuine fighters for progress, dedicated patriots, and honest citizens. Therefore, let us turn our minds to how to advance the country, how to strengthen the economy, and how to unite our forces to create a better life for the people.

The year 1990 will remain in our history as a year of major democratic transformations in the entire life of society. In this field, developments have been achieved with unimaginable speed. Within one year, the country embarked on comprehensive and many-faceted processes of democratization that were undertaken on the initiative of the Albanian Workers Party itself. In this way, favorable conditions were created to activate people's creative energies, thinking, and political and ideological awareness. The Albanian people, in working for democratization, are showing exemplary maturity and wisdom, but there also has been a lack of democratic tolerance, as is found on this road. There have also been unpleasant and damaging events that disturb people, hamper economic development, and encourage division and violence. Such acts must be resolutely condemned, because they are blows to the democratic process.

The Albanian people have needed and still need unity, order, and secure lives. Throughout their ancient and modern history, in the National Liberation War and in socialist construction, they have emerged victorious, because they have always been united and have placed the interests of the homeland and its freedom and independence above everything. The creation of conditions for as democratic a life as possible gives extensive opportunities for every genuine patriot to contribute to the country's good and to help it progress and flourish. We will advance determinedly on this road with unswerving faith in the future of our sacred homeland.

Dear sisters and brothers, the elections for the new People's Assembly will be held on 10 February. These will be fully free, democratic, pluralist, and secret. The people will elect as deputies their sons and daughters who will represent their interests better than anyone else. They will elect those who will carry the country forward toward fresh victories, those who will know how to defend the people's past, present, and future without being subject to or flinching at anybody.

The February elections and the approval of the new constitution at the first session of the Assembly which will emerge from these elections will create conditions to further strengthen our law-governed state. The aim is to place the entire activity of political and economic subjects, the state and citizens, more firmly under the control of law, which means under the control of justice and under the control of the people. The strengthening of the rule of law is a guarantee for the democratization of the country's entire life and for securing human rights in accordance with internationally-accepted standards. In 1991 too, Albania's foreign policy will be an active one, a policy of friendship, cooperation, and peace. Our country will work to draw nearer and be better integrated in Balkan and European processes.

Dear friends, once again I send you every good wish; to you, dear children and pioneers of Enver; to you, young men and women; to you, workers and peasants, who bear the heaviest burden for the country's development; to you, engineers, agronomists, and creative intellectuals in various fields; to you, soldiers and officers; and to you veterans of war and labor, I wish you all joy and success for your families in a year which will bring new and greater victories to our dear Albania, a year which will raise even higher the name of our homeland. I wish our greeting, that of all citizens of the People's Socialist Republic of Albania, to go to all our compatriots wherever they are, to go to every hearth where our brothers and sisters of one blood have gathered. Happy new year, and many of them.

Carcani Speech at Democratic Front Council

AU0101214391 Tirana ZERI I POPULLIT in Albanian 21 Dec 90 p 1

[Speech by Adil Carcani, chairman of the General Council of the Democratic Front, at a meeting of the General Council in Tirana on 20 December]

[Text] Dear comrades, I thank the General Council of the Democratic Front of Albania for the honor it has done me in electing me its chairman. I assure you that with your help, I will devote all my intellectual and spiritual energies to responding to this great task.

On this occasion, I wish on your behalf, comrades of the General Council, to thank Comrade Nexhmije Hoxha, one of the founders of our organization of the Front, for her contribution in leading and strengthening the organization and implementing the line of the party, and for her support and commitment in bringing to life the measures that the party and Comrade Ramiz Alia have taken for the comprehensive democratization of the country's life.

The role and tasks of the Front organization have been great ever since the struggle for the country's liberation and the establishment of the power of the people and during all the stages of the construction of our new life. But they are very special at the present moment, when we must determinedly defend and inexorably carry on our achievements

in all political, economic, and social fields, and in education, culture, and science, for the defense of national freedom, independence, and sovereignty, and the implementation of the great program of the democratization of the country's life, which Comrade Ramiz Alia is leading with wisdom and farsightedness.

Major tasks stand before our organization as a political subject in its own right. At present, we are faced with the campaign for the election of deputies to the People's Assembly, which will be carried out under the conditions and in the spirit of political pluralism, on the road of dialogue and debate, standing firm against acts of violence, such as those committed in recent days in such cities as Kavaje, Durres, Shkoder, and Elbasan by groups of delinquents and hooligans, acts that distressed and caused indignation among the people, who rightly demand the punishment of those elements who committed such vandalistic and illegal acts.

The tasks of the Democratic Front are many and various. We are faced with the task of mobilizing ourselves with redoubled strength, from members of the General Council to forums of the base of our organization everywhere, in the towns and the countryside, to propagate among the masses throughout the electoral campaign the program of the Democratic Front as a great political action. Let this great political action serve to further strengthen our national and people's unity and raise the patriotic spirit of our people. This spirit has been expressed and must be expressed even more today in labor and life, in order to fulfill the tasks which stand before all honest citizens in their determination to carry forward the homeland at a faster pace on the road of its democratization, along which the party is leading us.

I express the full conviction that the Democratic Front will distinguish itself in the high tasks that the times lay before us, and that we members of the General Council will set an example in this. Once again, I promise you that I will devote all my strength and energies to the good of the people, preserving and strengthening the victories we have achieved for the continual growth of the people's prosperity.

A happy new year in 1991! Let us turn this year into a year of new successes and victories in the struggle for the further democratization of all the country's life. I wish your families health and prosperity!

Long live the Albanian people!

Long live the Democratic Front of Albania!

Long live Comrade Ramiz Alia!

Democratic Party Holds Rally in Korce

AU3112135290 Tirana International Service in German 1330 GMT 31 Dec 90

[Text] A Democratic Party spokesman has informed us that the party held a rally on 30 December in the city of Korce. The leaders of the Initiating Commission of the Democratic Party of Albania took the floor and outlined the party's political, economic, and social program, stating that they will use all legal and constitutional means to struggle for this program.

Restrictions on Private Trade Eased

AU3112152390 Tirana Domestic Service in Albanian 1430 GMT 31 Dec 90

[On Further Encouraging Private Activities in Services, Handicrafts, Trade, Etc."]

[Text] As is well known, in implementation of Council of Ministers Decree No. 228 dated 11 July 1990 on the reorganization of services and handicrafts, different trade and handicraft activities on private initiatives are operating and expanding in all towns and districts of the country, thus helping to broaden the variety and improve the quality of services and to create new jobs.

The needs of the people and the economy demand that these activities should be further encouraged and expanded in the form of partnerships, private collectives, etc. To support this, the Council of Ministers has improved the decree in force up until now, allowing private activities in services, handicrafts, and trade to be carried out not only on a family basis, and has removed the restriction on working with a partner [ortak]. This measure creates new opportunities for many working people's initiatives in these sectors to develop faster and come closer to the people.

President Zhelev Delivers New Year Message

AU3112194490 Sofia BTA in English 1714 GMT 31 Dec 90

[Text] Sofia, 31 Dec (BTA)—Let Bulgaria find a worthy place among the civilized nations in Europe in 1991, said Bulgarian President Zhelyu Zhelev in his New Year's message. He raised hopes in the Bulgarian people that the first successful outcomes of the reforms would already be visible by the end of the New Year.

If 1990 was mainly a year of great political changes, 1991 will be the year of economic reforms: giving the land back to the peasants, devolution and privatization of state enterprises, elimination of monopoly, and restructuring of banking, Dr. Zhelev said.

1991 will be the year of local elections and also of general elections for a new National Assembly and probably for a new president if the new constitution provides for a direct election of president.

According to Zhelyu Zhelev Bulgaria's foreign policy perspectives are also favourable: an agreement is to be signed with the International Monetary Fund and possibilities are opening up for extending bilateral relations with the developed countries in Europe and in the rest of the world. Bulgaria will gain the status of a most-favored nation in its trading relations with the United States.

In 1991, helped by the International Monetary Fund and the World Bank, we will begin to overcome the economic crises slowly but steadily and incessantly. It will be a hard year, but there is no other way out, the president said.

In his New Year's message the president underlined the main characteristics of 1990. According to him 1990 will go down in history as the year of great political changes, of a peaceful transition from a totalitarian one-party system to a parliamentary democracy. Now Bulgaria has a multi-party political system, independent trade unions, free press, autonomous senior colleges and a parliament, president and government that have been democratically elected.

A new independent foreign policy has been worked out during the last year. Without giving up all that is valuable and sensible in its relations with the USSR and the other former communist countries, Bulgaria has opened up to the developed countries in Europe and in the rest of the world. The president underlined the warming up in the relations with a number of countries. He also said that one of the main priorities of Bulgaria's foreign policy was its integration in the European and world economic and political structures.

Defense Ministry Collegium Meeting Reviewed

AU2812210190 Sofia NARODNA ARMIYA in Bulgarian 27 Dec 90 pp 1,4

[Colonel Ivan Ganchev report: "The Present Is an Objective Reality"]

[Text] How many times have we, the military, heard a commander saying "The Collegium has decided...."

Then, why not attend a meeting of the Collegium of the Ministry of National Defense and see what issues are discussed there and how are they resolved? Such a meeting took place on 26 December and continued precisely four-and-a-half hours with a 10-minute recess. However, let this fact prompt no thoughts about bureaucracy or love of meetings. The agenda included 11 items, and only the first, the most important one, required 90 minutes.

The atmosphere was absolutely businesslike, without any interruptions for coffee-drinking or cigarette-smoking. Colonel General Mutafchiev, minister of national defense, asked the participants to keep their statements brief and specific, and restrict themselves to five or seven minutes.

The meeting began with a discussion of the results of the operational and combat training, and discipline in the Bulgarian People's Army as of 15 December. Before the discussion of the report began, Colonel General Panayotov, deputy minister of national defense, pointed out that the tragedy at Vurbitsa River, at which 10 soldiers perished, had shown how strict and comprehensive the organizational activity must be at training or firing practice to limit to a minimum the consequences of such an unforeseeable natural calamity.

Major General Iliev, Major General Lyutskanov, and Lieutenant General Popov spoke about the deterioration of discipline, the negative attitude toward the military service on the part of the new draftees, the low criteria of certain commands and staffs, and insufficient professionalism. Issues related to the prestige in society of officers and sergeants, the social problems of the military of all ranks, and the everyday problems of the soldiers, such as housing, food, and clothing, also were discussed. It was mentioned that the attention of many officers is distracted by secondary and personal matters. This delays the implementation of their basic duties related to combat readiness, and affects the strict commander exigence.

Colonel Minchev, first deputy minister of national defense and head of the General Staff of the Bulgarian People's Army, spoke about the impoverished theoretical training of certain officers, the insufficient aid on the part of more senior ranks, and basic planning weaknesses. He also noted the alarming phenomenon related to the detachment of certain officers and sergeants from the problems of the soldiers and related to transferring the responsibility for training younger officers.

In his statement Col. Gen. Mutafchiev spoke about the complex situation in the country, including the economic situation, and pointed out its influence over Army life. He recalled that present conditions are an objective reality in the work of the commanders and staffs, rather than a reason or justification of shortcomings in this

area. The minister of national defense posed the categorical demand of breaking away from old stereotypes in preparing reports, and urged the participants to make precise and correct analysis and propose specific measures for removing the shortcomings. A strict organization is necessary to achieve maximum results precisely under the present conditions, rather than awaiting improvement in those conditions. All efforts of the officers must be directed toward improving combat readiness and implementing specific service duties, while keeping personal responsibility in mind.

"Discipline is the business of all of us. Let us not search for the cause of low discipline somewhere other than in ourselves," Col. Gen. Mutafchiev said. "We must adopt comprehensive measures on improving order and discipline in the garrisons and demand responsibility from all those who have not fully implemented their service duties."

The minister of national defense pointed out that inspections related to irregular conduct of training and subsequent results, must be carried out, strictly observing all criteria and regulations.

The participants discussed a concept of the leadership of the Ministry of National Defense on changing the existing military names, symbols, rituals, and insignia. This activity will be carried out gradually, subject to understanding what issues belong to the competence of the Ministry of National Defense, and what must await relevant decisions by the Grand National Assembly or an improvement of the financial possibilities.

The participants reviewed a report on the work related to preparing the draft regulations of the Bulgarian People's Army. They studied our military regulations between 1908 and 1946, as well as the regulations of the armies in Germany, the USSR, Turkey, Italy, and other countries.

A brief report on the meeting of the Collegium of the Ministry of National Defense cannot encompass the entire agenda. However, I was impressed by the fact that almost every issue that was discussed, somehow was related to the problems of combat readiness and the soldiers' social problems. Data shows that it is the housing problem that is most painful. This also is confirmed by the letters we receive at the editorial board. For only several months the leadership of the Ministry of National Defense has done more than has been done for years in the past. The minister of national defense personally ordered the study of certain additional possibilities and the adoption of an appropriate decision as soon as possible. The conditions under which the soldiers live and do their duties were not forgotten even for a moment. The participants reviewed the possibilities of improving those conditions, regardless of the economic difficulties.

The Collegium proposed that the draft laws on defense, on the Armed Forces, and civil defense be discussed by the Council of Ministers by the end of March 1991.

Perhaps this information is sufficient as a start. In the future NARODNA ARMIYA will always inform its readers about the work and decisions of the Collegium of the Ministry of National Defense.

Government Resumes Talks With TU's, Employers

AU3112133690 Sofia TRUD in Bulgarian 27 Dec 90 p 1

[Valentin Suykov report]

[Text] "At a time like this we cannot keep something hidden from our people," said Dimitur Popov when he invited journalists to attend the meeting held in the Council of Ministers on the evening of 26 December. Leaders of the two trade union confederations and representatives of the employers—the Bulgarian Economic Chamber, Union of Economic Leaders, private producers, and cooperatives—came to hold talks with the prime minister, his deputy Dimitur Ludzhev, and two economic ministers, Ivan Kostov and Ivan Pushkarov.

The members of the government described the picture of our desperate situation as they see it from the summit of the machine of state. According to Dimitur Ludzhev, the economy is broken down, and continues to move only by force of inertia. In the view of Ivan Kostov, the budget in its present form is hopelessly full of holes. There is no money available to fulfill the commitments in the social field, and there will be even less money in the future because of the halving of income tax without creating any conditions for removing subsidies. There is a lack of foreign currency for importing medicines, for maintaining our students in the USSR and Eastern European countries, and for essential defense expenditures. On about 15 January an agreement will have to be signed with the IMF. The envoys of "world money" will want to see a balanced budget before they get out their fountain pens. In order to draft and apply such a budget, we need consensus between the different social partners.

"Our Coordinating Council has authorized us to sign an outline agreement for social peace, as a mark of our support for the government's reforms," stated Professor Krustyu Petkov, chairman of the Confederation of Independent Trade Unions in Bulgaria. The confederation will restrain from organizing nationwide strike actions and will put forward proposals of a constructive nature. In addition to signing the agreement on social peace, the trade unions are interested in hearing the IMF's recommendations and in finding out how they will affect the social sphere.

According to Krustyu Petkov, the start of the price reform, according to the basic recommendations of the IMF, is tied up with starting work on "weaving" the social protection network. The trade unions are pleased that the government does not exclude rises in nominal wages. Privatization must guarantee the participation of employees in it and the utilization of some of the money realized for topping up the social funds.

A working group is being set up to evaluate which parts of the general agreement with the former government have been fulfilled, what parts can be fulfilled, and which commitments will have to wait for better times. This, together with making the trilateral commission a permanent working institution, should protect the lower social strata from the prices shock.

The representatives of the state and the private companies and cooperatives attempted to answer the question: What conditions are needed to provide 200-300,000 jobs?

Differences in views do exist between the parties, but these do not appear fatal. Work will continue tomorrow on resolving the differences.

Petkov on IMF Conditions

AU2812192990 Sofia Domestic Service in Bulgarian 1830 GMT 28 Dec 90

[Text] In connection with the talks between the government, employers, and the trade unions, Professor Krustyu Petkov, chairman of the Confederation of Independent Trade Unions in Bulgaria, stated that the independent trade unions cannot be a conservative force and say no to the recommendations of the IMF, thus ignoring the country's economic and financial situation. There can be no argument concerning the IMF's conditions; these are conditions which have to be fulfilled by the government, but the Confederation of Independent Trade Unions in Bulgaria will state its viewpoint, said Professor Petkov.

In his view, there are some specific issues concerning which there is scope for discussion and maneuver. He felt price reform to be most important, asking what it would be like, and what compensations would be offered.

The IMF has been left with the impression that we will firmly stick to the indexation, but if prices leap by two-and-a-half or five times, this system of indexation will naturally go by the board, Krustyu Petkov stated.

Professor Petkov attaches high importance to unemployment. According to him the former government gave the IMF the inaccurate information that Bulgaria has the lowest rate of unemployment, namely 1.2 percent, which is not correct. The most difficult problem, in his view, is the launching of price reform.

What will happen to the remaining package of measures included in the economic reform? In Professor Petkov's opinion, the issues of privatization, the social protection network, and agreed wage rates should be settled in the negotiations between the government, employers, and the trade unions.

New Non-Parliamentarian Party Coalitions Formed

AU3012201590 Sofia Domestic Service in Bulgarian 1830 GMT 30 Dec 90

[Text] Two new political formations appeared today on Bulgaria's political stage. The first coalition encompasses the 13 parties, united in the liberal union, the National Democratic Forum—Unity [Natsionalno Demokraticheski Forum—Obedinenie], and the Christian-Social Union [Khristiyanski-Sotsiyalen Suyuz]. They decided to establish a coalition based on the Turnovo Constitution, called Svoboda [Freedom].

The political declaration of the new coalition points out that it will unite the political activities of the parties and organizations against the efforts of the Bulgarian Socialist Party [BSP] to preserve the power inherited from the Bulgarian Communist Party [BCP]. It will work for restoring the entire historic truth about the responsibility of the BCP and the Fatherland Front parties during the period of their joint rule after 9 September 1944, fully eliminating the totalitarian system, and constructing a truly democratic Bulgaria.

The second formation is the Federation of Christian Parties and Movements in Bulgaria [Federatsiya na Khristiyanski Partii i Dvizheniya v Bulgaria], which encompasses the Christian-Democratic [Khristiyanska-Demokratichna], Christian-Radical [Khristiyanska-Radikalna], and the New Christian Democratic [Novata Khristiyanska-Demokratichna] Parties. The basic goal of the federation will be to develop cooperation of the parties that form it in the upcoming municipal and parliamentary election, participation in the country's government, and the creation of a humane-democratic society in Bulgaria.

Lilov Meets Socialists in Kurdzhali, Krumovgrad

AU2912160890 Sofia DUMA in Bulgarian 27 Dec 90 p 2

[Radka Petrova report]

[Text] Kurdzhali, 26 Dec (DUMA)—What is the viewpoint of the Bulgarian Socialist Party [BSP] on the most important draft laws which await submission to parliament, what is the price of the political compromises, how will the problem of the party's property be resolved, when will we have a long-term policy on the nationality question, and for how long will we allow ourselves to be overtaken by events? These were some of the questions which the Kurdzhali Socialists put to Aleksandur Lilov, chairman of the BSP Supreme Council, at the meeting this afternoon.

"We are living at a difficult and mean time, a time of great change, but also a time of betrayals," said Aleksandur Lilov. "I consider that the issue of exchanging party documents is extremely important for internal party life, and this will determine the sort of party which the BSP will become."

Aleksandur Lilov emphasized that the BSP's strategy is clear and categorical, it is a strategy of civil peace and peaceful transition to democracy.

Later Aleksandur Lilov met with the Socialists in Krumovgrad. On 27 December the chairman of the BSP Supreme Council plans a meeting with Socialists and their supporters and sympathizers in Kurdzhali.

Nonessential Gasoline Sale Suspension Announced

AU0101142691 Sofia Domestic Service in Bulgarian 1400 GMT 1 Jan 91

[Announcement from Petroleum Company; place and date not given]

[Text] Because of a sharp fall in fuel deliveries during the last few days, to levels covering only one-tenth of the country's requirements, and to ensure the minimum quantities for social activities of vital importance, beginning tomorrow, 2 January, sales of fuel by gasoline stations throughout the country will be temporarily suspended for about two weeks to all private and state-owned motor vehicles, with the exception of vehicles in the social sector.

Government Not 'Warned' of Suspension

AU0101200591 Sofia BTA in English 1924 GMT 1 Jan 91

[Text] Sofia, 1 Jan (BTA)—The Petrol Company, which is a monopolist in petrol and oil products trading in Bulgaria, announced a two-week (January 2-16) moratorium on petrol sales. The ban includes all private and state vehicles with the exception of ambulances, public transport buses and delivery vans. The company said the move was prompted by the decline in petrol deliveries.

Prime Minister Dimitur Popov told the national television that the government had not been warned of the moratorium. The Council of Ministers will probably discuss petrol shortages at its meeting tomorrow.

The news of the moratorium caused discontent among drivers because the petrol company had announced on December 27 that, starting January 1, 1991, private and office cars would be fuelled at separate petrol stations and that ration cards for the last quarter of 1990 would still be valid.

President's Expert Discusses Kozloduy Plant

AU2912182990 Sofia VECHERNI NOVINI in Bulgarian 23 Dec 90 p 1

[Interview with Professor Dr. Tsvetan Bonchev, chairman of the Commission on Nuclear Power Matters under the Presidency and director of the Nuclear Physics Department at Sofia University, by Nina Mishkova; place and date not given: "Anything New at the Kozloduy Nuclear Power Plant?"]

[Text] [Mishkova] Professor Bonchev, as deputy chairman of the National Radiation Protection Program, last May you took part in a comprehensive inspection of the Kozloduy Nuclear Power Plant. You publicized the alarming facts that emerged and also presented them to parliament. What guarantee is there that the next highest inspection authority, although appointed by the president, will not limit its functions to the usual conclusions on paper?

[Bonchev] The previous inspections and checks were carried out by bodies connected with the executive power and dependent on it. Our commission includes scientists who have no official connection with the Kozloduy Nuclear Power Plant. They are genuinely independent. We have set up 10 working groups on various aspects, and have tried to attract our best specialists to work in them. These groups are now hard at work. Nine of our experts visited the Kozloduy Nuclear Plant between 12 and 17 December....

[Mishkova] What sort of welcome did they receive from the management there?

[Bonchev] The management showed understanding. Our group familiarized themselves in detail with some of the sections of the power generating units, both the VVER-440 reactors, which have been in operation for a long time, and the new site—the Nos. 5 and 6 units. We talked to many people and gathered a vast amount of information, but so far have only managed to "digest" part of it. On this basis we prepared an analysis of the problems which we considered especially important. At the moment we have drafted solutions which are primarily of an organizational nature. Most of these do not require a lot of money and can help in predicting certain problems, including those with economic implications. We have already sent this material to the Kozloduy Nuclear Power Plant. We will go there again to discuss our findings with the specialists. After the findings have been agreed, they will be presented as an official document to the president's office....

[Mishkova] Would you give us one example of your recommendations?

[Bonchev] Now, when foreign currency funds are expected to be allocated to the nuclear power industry in the form of aid, the negotiations with foreign companies should take place with the participation of highly qualified specialists employed in running the generating units. Why should they not take place at the Kozloduy site? Until now, the policy and future of the power plant was "hammered out" in the upper administrative echelons, and perhaps for this reason they failed to be implemented at the local level....

[Mishkova] How do you regard the future of the Kozloduy Nuclear Power Plant?

[Bonchev] With optimism, provided that measures are quickly taken to modernize certain systems, particularly in the old generating units. Even more important,

normal working and living conditions must be created without any delay for the people who produce about 35 percent of our electric power. Safe nuclear power is expensive and requires investments, and the Kozloduy plant is the last place where the state budget should save money.

[Mishkova] Can we return to the question of guarantees?

[Bonchev] These are provided by the Presidency, which has sought help from a commission of independent experts, as well as by the awareness that we stand on the edge of an abyss.

47-Percent May-November Price Increase Detailed

AU3112154490 Sofia DUMA in Bulgarian 28 Dec 90 pp 1,2

[Dimitrana Aleksandrova report: "From May to November Prices Increased 46.9 Percent"]

[Text] In November goods on the Bulgarian market cost 46.9 percent more than in May—the first month in which the Central Statistics Administration started to monitor the changes in retail prices.

The prices of nonfoodstuffs show the greatest increase—54.4 percent. Foodstuff prices increased 30.4 percent, and services—21.9 percent.

Honey leads in the group of foodstuffs whose prices have increased. It costs 3.5 times more than in May. The price of fish and fish products increased a bit less than 3.5 times. The price of sugar, articles and confectionery, canned vegetables, compotes, and wines have doubled.

The price of fresh fruit increased 33.4 percent, and vegetables 23.2 percent.

Despite the fact that the state-controlled prices of meat, cheese, and eggs have not changed, the Central Statistics Administration study shows a certain price increase, because the prices at the cooperative markets and private stores have been taken into consideration.

Potatoes are the only thing whose price in November was lower than in May. The reason is related to the high price of potatoes in the spring. However, potatoes are much more expensive than at the end of 1989.

The prices of carpets, flooring, and sheets show the greatest increase among nonfoodstuffs. Their price has doubled. The price of silk, synthetic, and blended knitwear also doubled. The price of fur and fur clothes increased 92.5 percent. The price of wool increased 95.7 percent; silk—72.9 percent; and cotton—45.4 percent.

The price of tailored goods increased 28.8 percent, knit underwear—30.5 percent, shoes—26.3 percent, and cosmetics and perfumes—74.6 percent.

The price of furniture increased 68.5 percent, ovens and electric boilers—40 percent.

The prices of bricks, roof tiles, and shutters show the greatest increase among construction materials. Jar covers cost five times more than in May.

Apartment rents show the greatest increase in the services category. They have more than doubled. Cab fares have also doubled.

Hairdressing services and the price of movie tickets increased 83 percent.

Other services increased by an average of 50 percent. The lowest increase—14.3 percent—was for TV and radio equipment repair.

The total average increase of services remained only 21.9 percent because the statistics study includes the prices of heating, and railroad, bus, and air transportation, which have not changed since May.

The Central Statistics Administration studies the retail prices of 1,700 essential goods and services to determine the change in the cost of living.

In November the cost of living was 36.4 percent higher than in May.

In the villages the increase was 37.7 percent, and in the cities 35 percent. Consumption determined the difference between villages and cities. Most of the peasants rely on foodstuffs they produce themselves, and purchase mainly consumer goods. The city dwellers purchase more foodstuffs, however, since the foodstuffs prices show a relatively low increase, the cost of living in the cities increased less than in the villages.

The cost of living for families without children has increased 38.1 percent, which is the greatest increase. Such families spend more money on nonfoodstuffs and services and less on foodstuffs.

The cost of living for families with one child increased 34.4 percent, with two children 34.9 percent, and with three and more children 35.3 percent.

According to the calculations of the "Price Statistics" Department of the Central Statistics Administration, the cost of living increased most in August, when it jumped 11 percent in comparison with July. Afterward, the cost of living marked a relatively low but stable tendency of increase—about 4.5 percent. In November the cost of living was 4.9 percent higher than in October.

Two Major Computer Equipment Companies Bankrupt

AU0201113791 Sofia DUMA in Bulgarian 28 Dec 90 p 1

[Unattributed report: "'Disk Memorizing Equipment' and 'Beroe' Companies Are Insolvent"]

[Text] The "Disk Memorizing Equipment" and "Beroe" companies in Stara Zagora—major stars in our socioeconomic sky—are incapable of repaying their bank loans, credits, and related interest payments, and do not have

sufficient contracts for 1991. This means that the insolvency of the two companies will be a fact at the end of 1990. This was confirmed by Mr. Spasov, chairman of the Stara Zagora branch of the Bulgarian National Bank.

He pointed out that the companies will not receive any additional loans from the bank, even if they submit technological plans for new products. It is well-known that, with minor exceptions, the present products of the companies have no market. Mr. Spasov added that the companies cannot pay their debts and have accumulated debts amounting to millions of leva. The "Disk Memorizing Equipment" company owes 17 million leva, while "Beroe"—9 million leva for raw materials supplied to the company.

Water in Burgas 'Unfit for Drinking'

AU0101155991 Sofia DUMA in Bulgarian
29 Dec 90 p 1

[Tsanko Raychev report: "Water in Burgas Is Unfit for Drinking"]

[Excerpts] The drinking water in Burgas is unfit to drink. This is the conclusion of the laboratory inspection, conducted in recent weeks. [passage omitted]

Experts are unanimous in their conclusion that dozens of industrial plants and towns and villages dump their waste water straight into the rivers, in the proximity of the drinking water storage facilities. For example, the painters shop in Kotel stated that it uses five kinds of dyes and more than 20 paints, and dumps its waste in the river without any preliminary purification. The settlements along Kamchiya River have no purifying installations. The pigsties dump their waste in the drinking water zone, as if it was a septic tank.

Coal Supplies Still Arriving From Soviet Union

AU0101155691 Sofia DUMA in Bulgarian
28 Dec 90 p 1

[Unattributed report: "Coal Supply From USSR Continues"]

[Text] The Council of Ministers announces that the USSR continues to fulfill its obligations related to the supply of coal for our power supply needs, on the basis of the contract for 1990. This guarantees the normal work of the electric power plants in Varna and Ruse-East. Sufficient reserves have been accumulated. According to the government, this will positively influence the country's general power supply balance and will satisfy the needs of the population.

The supply from the USSR will continue at the beginning of January 1991. The import of 500,000 tonnes coal more than in 1990 has been contracted for 1991. A contract on the import of electric power will be signed soon.

President Havel Delivers New Year Address

LD0101153491 Prague Federal I Television Network in Czech 1200 GMT 1 Jan 91

[New Year's address by CSFR President Vaclav Havel; place and date not given—live or recorded]

[Text] Esteemed fellow citizens, there were times in the past when the president could read a New Year's speech he had read the year before, and no one would notice anything. Those times are past, thank goodness. Time has re-entered our lives, history has returned. The leaden skies of boredom and the deadening inaction have cleared, and we are simply astonished at the palate of possibilities a truly free political sky brings and at how it continues to surprise us over and over again in both the good and bad sense of the word. Allow me first to speak about all the bad surprises the past year brought us.

First it became clear that the legacy of the past decades with which we have to come to terms is worse than we expected or could expect in the happy atmosphere of the first weeks of freedom. New problems emerge daily, and it is shown how they are mutually interlinked, how long it takes to solve them and how difficult it is to find the best order in which to deal with them. We knew that the housing which we inherited was not in good condition. The plaster was falling off here and there, and the roof looked fairly suspect; we had our doubts about many other things. After a year of investigative work we realised with shock that all the plumbing is rusty, the beams are rotten, the wiring is in a state of collapse, and the reconstruction which we planned and which we looked forward to will take longer and will cost us considerably more than we thought in the beginning. We have found that what we saw a year ago as a neglected house is basically a ruin. This is not a happy realization, and it is no surprise that we are all quite miserable and disappointed about it.

Many citizens are asking the question: Why is there so little success in settling up with the past, in rehabilitating all its victims, correcting all the injustices which had been done and justly punishing those who caused them. Many people ask how it is possible that the rulers of the previous regime who enrich themselves at the expense of society are still rulers, and how it is possible that they are so successfully establishing themselves under the new conditions. Many citizens are surprised at the fact that the extensive transformation of the whole of our economy is still only talked about, while they do not see any changes for the better in their everyday lives.

People are nervous because the only thing that planned reform has brought them so far is rising prices and the threat of losing their social certainties, including the loss of jobs. We are all concerned about the considerable rise in crime. The hope for a better future is continually more and more interwoven with the threads of a completely opposite feeling, fear of the future.

In an atmosphere of general impatience, nervousness, disappointment, and doubts, elements of irritability, suspicion, intolerance, attacking each other are coming into existence and creeping into our public life. Freedom has unexpectedly opened the door to the manifestation of our most varied bad qualities and has shown depth of moral degradation that has afflicted our souls. We have defeated the monolithic, visible enemy easily recognizable for everybody, and now, driven by our dissatisfaction and need to find the living culprit, we are looking for the enemy in one another. We feel ourselves let down or even cheated by the others.

A year ago we were all linked by the joy of breaking through the bars of totalitarianism and liberating ourselves; today we are all a little neurotic as a result of the weight of freedom. Our society is still in a kind of shock. It could have been expected that this shock would come, but nobody expected it to be so deep. The old system has collapsed, the new one has not yet been built, and the life of our society is marked by the subconscious uncertainty whether we in fact know which kind of system we wish to build, how we should build it, and even whether we know how to build it. The feeling that the horizon of the new order is distant, misty, and uncertain leads many of us to look to a substitute and partial horizon, and we forget that the future of the individual and of the group is only possible based on the general future or in connection with it. The past year has thus brought us the unpleasant surprise of the rather bewildering if not stifling atmosphere in which we find ourselves at its close.

Thanks to this atmosphere, we all have a tendency to forget some great surprises in the positive sense which occurred in the first year following our uprising against totalitarianism. I think it is my duty to remind us today of the good things which happened and which a year ago we would hardly have believed possible.

First: The last units of the Soviet Army that invaded us 22 years ago are leaving our country.

Second: We successfully completed our first free elections after 42 years in which we elected our representatives to the representative bodies on all levels truly as we wanted.

Third: Our parliaments have adopted dozens of new laws that formed the first foundations of a truly legal, democratic, and decentralized state.

Fourth: We have ensured that the whole world respects us once again after many decades as an independent democratic state and that this state enjoys general prestige and is visited by the most important world statesmen who speak highly of its active foreign policy aimed at building a new peaceful Europe.

Fifth: There is absolute freedom of speech and expression in our state and freedom of assembly and association is assured.

Sixth: We have cut the wires that had encircled our Republic and made it into a concentration camp. Anyone can travel where they wish and anyone can enter our country.

Seventh: Freedom of religious life was revived in our country. All dioceses have bishops. We were visited by the Pope, and we have entered into diplomatic relations with the Vatican.

Eighth: After complicated discussions we successfully arrived at a scenario of economic reform and adopted a number of economic laws which are the legislative prerequisites for this reform. Today this reform comes to life.

Ninth: We have begun to form a true viable federation. The first, and probably the most dramatic phase of this formation culminated in the recent adoption of the constitutional law which newly distributes the rights to executive powers between our two republics and the federation.

Clearly in a single year we have succeeded in doing more than was done in the preceding 41 years.

I know that this is only very little and that the main thing is still awaiting us. I would say that we have concluded a year of making preparations and creating preconditions, a year of creating a new space. In the year which we are entering today, we will start to fill this space with content. On the ground of all the preconditions and conditions that we have created, we will start to build for real our new democratic state and create its new economic system. We are going over from the project of the reconstruction of a house toward the reconstruction itself. I do not conceal that 1991 will be a year of big trials. We will begin to implement what we planned last year, and will start finding out how successful we are at it, and whether we are really able to make the sacrifices which we have been so far discussing only in theory and without which the big transformation of our country, on which we have decided, will not be possible.

None of the new representatives of our state calls for these sacrifices because he wishes misery on his fellow countrymen. They are all trying to find ways so that these sacrifices could be limited to the necessary degree. They all know, however, that the sacrifices are necessary and that there is no other way. The system has collapsed not only in our country, but also in the whole of the former Soviet bloc. And together with it the system of our foreign economic links is also collapsing, so even if we wished to keep alive the hitherto unsuccessful centrally controlled economic system, we could not keep it alive simply because the very environment had disappeared in which it could survice and in which it was at all imaginable.

Dear fellow citizens, dear friends. Allow me to try to sum up and set at least an approximate time-schedule for basic tasks that we will be facing this year. First, I am of the opinion that by the end of the year at the latest our parliaments should approve three new constitutions, two republican ones and one federal.

Among other things these constitutions should provide a definitive form for our constitutional setup. In my opinion it will be necessary to adopt some temporary laws for the period before the new constitutions become valid which will ensure a constitutional method for dealing with various possible crisis situations which could come into being at this difficult time.

Second, according to the bill on small-scale privatiztion auctions should already begin this month. Small-scale privatization could, similarly to restitution, in my estimation be completed basically also next year. Large, inflexible and bureaucratic organizations in the sphere of services, trade and smaller production should be broken up and replaced by an extensive network of private and fully independent businesses.

Third, the process of large-scale privatization should begin at the same time as small-scale privatization. This will take several years, most probably. When it is completed all ownership, that is the ownership of the soil, property, and means of production should be divided among concrete, clearly defined and fully sovereign ownership subjects.

Fourth, today as you know is the beginning of the state of relatively free price formation in our country as one of the conditions for the creation of a true market environment. The liberalization of prices will most probably bring a fast rise in prices. In the second half of the year, according to estimates by experts, the price level should settle down. Connected with the liberalization of prices is the so-called internal convertibility that we are undertaking and which should be the first step on the difficult and long journey to true and complete convertibility.

Despite all anti-infaltionary measures a growth in inflation can be expected in the first half of the year. This will also be a tax which will have to be paid for our reform. In my view it will be necessary in the first half of the year to make the legislative conditions for business so clear that foreign investors will not find any obstacles to conducting business in our country. So far they have been prevented from doing this by a lack of clarity in ownership relations and the legal famework for business in our country.

Fifth, in parallel with these first steps of our economic reform, a clear strategic concept in two areas should come into existence on the governmental level: One, in the social area, where it is necessary to build as soon as possible in cooperation with trade unions a system of legislative and administrative insurance against the danger of the unjustly and inhumanly redistributed impacts of the economic reform; Two, in the area of the structure and orientation of our power industry and big industry.

We do not yet quite know where we are with this issue, and under the given circumstances one cannot rely on

the fact that the market environment that is coming into existence will solve everything for the government. This concept must respect all fundamental ecologic requirements.

Sixth, I strongly believe that in 1991 the Federal Assembly will discuss and pass good and just laws that will clarify also the future of farmers and our agriculture as a whole.

Seventh, in a year our country will be slowly getting ready for new parliamentary elections. I strongly believe that during this year the spectrum of political forces in our society will be stabilized, and I strongly believe that in the next elections we will elect our representatives under a better election law and into a smaller and more practical structure of representative bodies as they will be defined in our new constitutions.

Eighth, as far as our foreign policy is concerned, we should be able to keep the initiative it has had so far. The issue I consider as important is that the Political Consultative Committee of the Warsaw Pact should meet as soon as possible, even in January if possible, which will then abolish all its military structures, including the Joint Command, as has already been agreed by the member countries.

In the spirit of the Paris Charter, we want to seek to achieve a new quality in the Helsinki process, a good inspiration for which could also be the fact that Prague has been made the headquarters of the Permanent Secretariat of the Conference on Security and Cooperation in Europe. We want to fully coordinate the course of our integration into the existing and newly emerging European structures in particular with Poland and Hungary, our closest neighbors. We believe that Czechoslovakia will be accepted already in January or February as a fully fledged member of the Council of Europe. At the same time, we hope that during the course of this year we will succeed in achieving an advantageous association agreement with the European Communities. We make no bones about the fact that in the future we would like to become a fully fledged member. We are also seeking a closer cooperation with NATO, although we do not intend to become a member for the time being.

Dear fellow citizens, I am surely saying nothing new to you when I say to you that hard times are ahead of us. The most difficult probably will be the year which starts today. I consider as the most important thing for us in the forthcoming tests—however hard they are—is not to lose our hope. If we should lose it then those tests would lose any kind of meaning in our eyes. They would not be any tests then, it would be hardship only. I believe firmly that we shall stand up well to those tests. I wish for us to stand up to them as best as possible. And this depends on the extent of hope which we shall be able to preserve in our souls.

I therefore ask all of you to guard this hope in you and around you with your life. Do realize, please, that we have already removed the bad landlord and no matter how much this house has been ruined by the long years of his rule, this is, however, now our house and it depends on us alone what we shall turn it into.

I therefore ask you all, Czechs, Slovaks, and members of other nationalities to respect our new state, to see it as a state which is truly yours and to care about its general well being. We have been through the first test of coexistence of nations in this state and both the Czechs and Slovaks have passed it. I wish all Slovaks the best success in building their sovereign and economically independent republic. I believe that it will be a republic of love and pride for all its citizens. I wish the same to all Czechs. I believe that their republic will be a republic of wisdom and tolerance for all its citizens. I wish all the best to all fellow-countrymen, Czechs and Slovaks living abroad—the time of diaspora has passed. Whether they return home or remain in their new country, they will be welcome here, with their extremely valuable experiences and enterprise.

I am turning to all who, by their work are creating values for the whole of society. After a long time these will be yet again values which they will be creating for themselves and their close friends, and thus not for their masters or for some kind of an abstact future of an utopian ideology. I appeal to all those who will manage to quickly find their place in the new economic system to feel with those who will not be so lucky immediately and help them according to their abilities .

I am turning to all who work on the land and wish them success in one of the oldest human activities. I hope they will be able to regain again the master's pride with their hard work. The basis of happiness and prosperity of us all wil depend on the success of their efforts, too.

I am turning to all those who decided to embark on the so far untried path of private enterprise, and I wish them good luck in their work. I ask them not to forget that created profit is not the aim in itself but a means of further enhancement of society and its assets and of creating conditions for a dignificed and full human life.

I am turning to pupils, students, and all young people. I ask them to concentrate on all the horizons that are opening for them and about which they could only dream a year ago. Our future depends upon their longing for education, moral features of character and also on their enterprising spirit.

I am also turning to those who have already done the major part of their work for society. I hope that the changes, for which they waited so long or were themselves preparing, bring joy and satisfaction to their life. We need their experience, wisdom, and love.

Dear fellow citizens, dear friends. The time when New Year's speeches were always the same is definitely over. I strongly believe that the next one will contain more pleasant surprises then unpleasant ones. I believe that I will be able to announce to you that the reconstruction of

our house has started successfully and that its foundations are once again firmly rooted in this country and its best traditions.

A year ago I concluded my New Year's speech with a paraphrase of the famous Comenius sentence: Your rule, the rule of the people, has come back to you. Today I would like to add to this sentence. It is up to you, the people, to show that the return of the rule to your hands had some purpose.

Happy New Year!

Government Decision Shuts Down Coal-Burning Units

AU2812142690 Prague HOSPODARSKE NOVINY in Czech 27 Dec 90 p 2

[CTK report in the "Briefly" column]

[Text] The 100 megawatt unit No. 7 of the Tisova power station in Sokolov District was put out of operation Saturday [22 December] night, on the basis of a CSFR Government decision. Another unit will be put out of service on 31 December. This will significantly contribute to improving the environment in Sokolov, Cheb, and Karlovy Vary Districts.

Justice Minister on Coexistence of Minorities

AU0201140791 Budapest NEPSZABADSAG in Hungarian 29 Dec 90 p 6

[Interview with Slovak Justice Minister Ladislav Kosta by Pal Feher and Mihaly Toth; in Bratislava, date not given: "There Can Only Be One Dictatorship—The Dictatorship of the Law"—first paragraph is NEPSZABADSAG introduction]

[Excerpts] Ladislav Kosta is one of the most popular politicians in Slovakia, and Hungarian-speaking people have literally created a legend around Kosta's humaneness, his courage, and his directness. Two months ago, at the time of the debates concerning the Slovak language law, when extreme nationalists had stirred up the crowds (since then, it has become known that these crowds only constituted a fraction of the Slovak nation) and created an atmosphere where Hungarians hardly dared to speak in their mother-tongue at congresses, at that time, all Hungarians in Czechoslovakia listened out for the words of Ladislav Kosta and other representatives of the Public Against Violence [VPN] movement. Some 500,000-600,000 Hungarians, worried about their mother-tongue, asked whether it would be possible to moderate this wild xenophobia. Yes, it turned out to be possible. The leaders of the VPN movement, which played a decisive role in defeating nationalism, delivered excellent speeches in parliament, in which they expressed their belief in a peaceful coexistence between Slovaks and Hungarians. Ladislav Kosta was one of the finest orators, and he granted NEPSZABADSAG and UJ SZO [NEW WORD] an interview in the Slovak parliament buildings.

[NEPSZABADSAG] Does legislation have any national characteristics in Czechoslovakia?

[Kosta] We base ourselves on our Constitution, just like any other country. Mutual relations between the federation and the two national republics are regulated by a constitutional law passed in 1968. Or rather, this law should have regulated our relations, but because of the events after 1968, the federal settlement did not take on the form that we had imagined. Therefore, since 17 November, 1989, we have introduced several amendments to this constitutional law. One of the most important changes was the abolition of the leading role of the Communist Party. This leading role left a stamp on everything else. We made other changes to harmonize the reality and our laws. Since the passing of the law on the division of powers by the federal parliament on 12 December—a law that will be effective until the acceptance of the new subgovernments—the Slovak National Council has the exclusive authority to pass bills submitted by various interest representation groups or the government. [passage omitted]

[NEPSZABADSAG] Is it important for the republics to express their specific characteristics?

[Kosta] Yes, it is important because economic, social, and historical circumstances are different in Slovakia and the Czech lands. For example, there are more nationalities living in Slovakia than in the Czech lands. At the moment, we still regulate relations between nationalities according to the 1968 constitutional law, a law that is still effective. Conditions in Slovakia are also different from an economic point of view, and that is why we need different laws than the Czech lands to regulate the movement of manpower. It is also a particularly Slovak characteristic that, when trying to eliminate unemployment, the former regime quickly set up large heavy industry complexes and numerous arms factories in Slovakia. The functioning of some industrial branches did a disproportionate amount of damage to the environment. In the Czech lands, however, too much emphasis was put on the manufacturing of end-products. We have to elaborate laws that help us eliminate social tensions by adopting a more sensible economic structure. In accordance with its sphere of authority, the Slovak National Council has already elaborated a few bills for this purpose.

[NEPSZABADSAG] As a lawyer, how do you view relations between the nation and nationalities?

[Kosta] Allow me just to say this much on the subject: I recently traveled to Spain and admired the beauty of Toledo. I started to wonder what lay behind all that beauty. I came to the unequivocal conclusion that it was the meeting of different nations that had created this beauty. Spanish culture had met with Arab and Jewish culture, and with the cultures of other nations. In essence, the mixture of colors is a source of richness. Right now, we have to aim at developing the cultural level of people in Slovakia. Indeed, it is not only the

number of theaters, concert halls, galleries, and other cultural institutions that show how developed a community is; it is also very important to observe the lifestyle of a community, and the quality of human relations. In the past few decades, the provinces of Slovakia have developed quite considerably from a material point of view. We want to harmonize cultural levels with this material development, and we want to reach normal European levels. [passage omitted]

Czech Parliament Approves 1991 State Budget

AU3112133190 Prague PRACE in Czech 27 Dec 90 p 2

[CTK report: "Budget for 1991 Approved by the Czech National Council"]

[Text] Friday [21 December] night, shortly before midnight, deputies to the Czech National Council approved the state budget of the Czech Republic for 1991 with 123 affirmative votes against 25 negatives. One of the approved proposals for the modification of the submitted draft was tabled by Deputy Ladislav Jakl (Civic Forum). It is good news for applicants for the private operation of radio and television broadcasting. From next year onward, when the law on the state budget of the Czech Republic enters into force, any operator who proves that his activity is in the public interest will be able to claim financial resources that have until now been reserved exclusively for the monopoly state broadcasting organizations.

Pithart Rejects Civic Forum's Movement Status

LD3012225790 Prague CTK in English 1727 GMT 30 Dec 90

[Text] Prague Dec 30 (CTK)—Czech Prime Minister Petr Pithart said on television tonight that he will try to persuade the Civic Forum (OF) Congress in January that OF must really change, that it can no longer be a movement.

The OF came into being in the wake of the November 17, 1989, events in Czechoslovakia which resulted in the fall of the communist regime, as a broad platform of the people of the Czech Republic. It is the strongest political force in the Czech lands.

According to Pithart, a movement always tends to anarchy and confusion, and if the OF is to live up to its constitutional and political commitment which ensued for it from the parliamentary elections (in which it won a landslide victory), it must be more clear-cut and internally more organized.

Speaking about the Czech Government's future activity, he said it must not be afraid to counter radical, demagogic and populist demands, e.g. strikes. He hinted to the difficulties which may arise in connection with the launching of the economic reform on January 1, 1991, by which Czechoslovakia should switch over to market economy.

Some 1,000 Volhynian Czechs To Be Repatriated

AU3112124990 Prague CTK in English 1708 GMT 26 Dec 90

[Text] Prague Dec 26 (CTK)—A representative from the Ministry for the Economic Policy and Development of the Czech Republic told CTK today that the ministry has been doing its utmost for Czechs living in two villages in the Ukraine, USSR, affected by the 1986 Chernobyl catastrophe, to return to Czechoslovakia as soon as possible.

Mr. Pavel Vrba said that it concerns 964 Volhynian Czechs for whom the ministry is seeking places to live in and a possible job for at least one member of the family. It is necessary, however, to conclude an agreement on their repatriation with the Soviet Government which has allegedly promised to compensate for the damage caused by the nuclear power plant explosion. It should cover the repatriation and pay off pensions.

The Good Will Committee and the Christian Democratic Party have prepared 25 tonnes of food which should be carried to the two Czech villages in the Ukraine by plane on December 28. They prepare another delivery for mid-January 1991.

Dienstbier Departs for Arabian Peninsula Trip

LD0201094691 Prague CTK in English 0730 GMT 2 Jan 90

[Text] Prague Jan 2 (CTK)—Czechoslovak Foreign Minister Jiri Dienstbier left last night for Riyadh where he will start his tour of Saudi Arabia, Oman, and the United Arab Emirates.

He is carrying a message from President Vaclav Havel to the leaders of these three countries of the Arabian Peninsula and will have talks on economic cooperation with their representatives. Dienstbier is accompanied by presidential advisers Richard Wagner and Alexandr Vondra, Deputy Foreign Trade Minister Lubomir Martak, Czechoslovak Army Ground Forces Commander General Josef Vincenc, and directors of Czechoslovak banks and some foreign trade companies.

The delegation makes its first stop in Saudi Arabia. Czechoslovakia has no diplomatic relations with this kingdom but Dienstbier is expected to sign a protocol on their establishment. Despite the absence of diplomatic relations Saudi Arabia invited a Czechoslovak decontamination unit to be based on its territory when Czechoslovakia proposed to provide such a unit in protest against the Iraqi occupation of Kuwait. The unit has been in Saudi Arabia since December 14.

Ministers Receive Hungarian, Polish Officials

AU0201103691 Prague CTK in English 1824 GMT 28 Dec 90

[Text] Prague Dec 28 (CTK)—Development of tripartite regional cooperation was discussed here today by deputy foreign ministers of Czechoslovakia, Hungary, and Poland.

They also dealt with preparations for a meeting of the three countries' top representatives due in Hungary in January.

The chief delegates were received today by Czechoslovak Deputy Prime Minister and Foreign Minister Jiri Dienstbier.

Sale Restrictions of Hard Currency Continue

AU0201112991

[Editorial Report] Prague HOSPODARSKE NOVINY in Czech on 28 December on page 2 carries a 600-word announcement by the Czechoslovak State Bank, entitled "Sale of Foreign Exchange for Trips Abroad," on the regulations governing the sale of foreign exchange to Czechoslovak citizens for the purpose of tourism in 1991. Next year Czechoslovak citizens over the age of 15 will be able to purchase the foreign exchange equivalent of a maximum of 5,000 korunas, plus the unclaimed portion of their 1990 foreign exchange allocation (which was 2,000 korunas). The sale of foreign exchange for the purpose of tourism will start on 14 January but between 14 January 1991 and 31 March 1991 the sale of foreign exchange will be limited to the foreign exchange equivalent of 2,000 korunas. Children between the ages of 6 and 15 qualify for 50 percent of the adult allocation. All exchange operations will be recorded in the passport.

According to the announcement, the regulations apply to trips to all foreign countries, with the exception of Hungary. Hungarian forints may be purchased in addition to and above the annual limit of 5,000 korunas.

Havel Sends Greetings to European Youth Meeting

LD3012230790 Prague Domestic Service in Czech 2100 GMT 30 Dec 90

[Text] Participants in the European gathering of young people in Prague, during evening meetings in the St. Vitus Cathedral, in the Sport Hall, and in other places, acquainted themselves with a message from Vaclav Havel, president of the Republic.

Vaclav Havel expressed his pleasure with the fact that young Europeans had come this year with the message of love and faith to our capital which will thus once again join the network of spiritual centers of Europe. He stressed the fact that now, when we are striving for a complete change of life, not only in the spiritual sphere; when we are trying to find the real meaning of life; and when we all have to sacrifice, the pilgrimage of trust comes to us to help us look for and find the sources of faith and the new spiritual values lost during the decades of the totalitarian regime.

National Assembly Passes 1991 Budget

LD3112075590 Budapest MTI in English 0318 GMT 31 Dec 90

[Text] Budapest, December 30 (MTI)—Late on Sunday evening, following an almost 12-hours long voting procedure, the Hungarian National Assembly approved the 1991 budget submitted by the government and amended in several respects with the proposals submitted by the MPs.

Accordingly, the deficit is forecast to stand at 78.786 billion forints in 1991, which is somewhat more than planned. The debate mainly centered on the areas where expenditures could be significantly cut, in the interest of easing the burdens of the population in other areas, and providing greater assistance to the local governments.

Parliament, which basically approved the proposals submitted by parliament's budgetary, tax and financial committee, ultimately approved cuts of some 24 billion forints in expenditures, with the greatest reductions mainly in central expenditures of state administration.

The main sum of expenditures in the 1991 budget is 931.69 billion forints, the sum of revenues is 852.9 billion forints.

Legislators approved the budget with a 61 per cent majority.

The Hungarian National Assembly is to continue its work with a plenary session on January 14 and 15, with discussions over the 1991 budget of the social insurance fund. Several committees are to hold sessions prior to the plenary session.

Further Details on Budget

LD3112131890 Budapest Domestic Service in Hungarian 1100 GMT 31 Dec 90

[Excerpts] The National Assembly adopted the budget for 1991 last night. [passage omitted]

The members of parliament first and foremost pared down central administrative expenditures, to the tune of 24 billion forints. [passage omitted] The Security Services will get 600 million forints less next year. At the same time, support for national and ethnic minority organizations, schools and newspapers, has been raised to 200 million forints.

The deputies decided that by next year the budget will centralize personal income tax revenues and then will redistribute a proportion of them, and the self-governments will get half of the levied tax. If this does not reach a determined per capita amount, then the budget will give a supplement. The self-governments will get 50 instead of 20 percent of the earnings deriving from the privatization of the former council enterprises.

The wage fund of the Foreign Ministry's overseas representations has also been reduced by 200 million forints. APEH [Tax and Financial Affairs Control Office] will get 300 million forints less next year.

At the same time, Hungarian television's state support will be a billion forints more; thus television will be getting 8 billion forints in total. [passage omitted]

The members of parliament also adopted a proposal according to which the finance minister is obliged to account to parliament for the budget's implementation by 30 April.

The tax bands have also been modified. According to this, tax does not have to be paid up to an annual income of 55,000 forints. Above this, up to 90,000 forints, the tax is 12 percent; up to 120,000 forints 18 percent; up t 150,000 forints 30 percent; up to 300,000 forints 32 percent; and up to 500,000 forints 40 percent. Tax on amounts above this will be 50 percent. [passage omitted]

Opposition Rejects Budget

LD2912152590 Budapest Domestic Service in Hungarian 0908 GMT 29 Dec 90

[Speech by Dr. Ivan Pethoe, leader of Alliance of Free Democrats Parliamentary Group, at a National Assembly session in Budapest—live]

[Text] It is clear that a week after we received the [text of the draft] budget the Alliance of Free Democrats [SZDSZ] and its parliamentary wing has been able to formulate its fundamental stance—which we have been presenting continuously ever since—that this budget is not one we could support. I see no lack of logic nor inconsistency in this.

I am forced to say once more—it appears that it is not totally clear to this house—that in a multiparty parliament, the operation of the parliamentary system and the parties have a kind of basic logic. It is not accidental that the budget is generally supported by the government parties, while the opposition parties are at most able to provide a kind of indirect help for the government parties to make the budget accepted. If the government parties in themselves are unable to provide the majority needed for the adoption of the budget, then the implementation of the budget is inconceivable because the opposition parties cannot be expected to support the government in implementing something in which they have no say. This follows completely automatically from the logic of a multiparty system.

The opposition parties—or at least the SZDSZ—has, within the present framework, already given all the support it can to the adoption of the budget. After all, such a budget of this character, which is in such a state, is not adopted usually. It should not be adopted and the opposition parties—even without malice—should have the means to prevent, through proposals of amendments or by rigidly adhering to the house rules, the acceptance of this budget this year.

The fact is that we do not accept this budget and we would like to make it better through several amendments. These two aspects are not in contradiction, because while we consider that this budget unacceptable, within the framework—as signalled by the adoption, or the potential adoption of our proposals—it may be made better.

Nonetheless, as we said right at the start, in our view it is impossible to make this budget acceptable for an opposition party.

Finance Minister Addresses National Assembly

LD2912233390 Budapest Domestic Service in Hungarian 1545 GMT 28 Dec 90

[Speech by Finance Minister Mihaly Kupa at a National Assembly session in Budapest—live]

[Excerpts] [passage omitted] You will ask, obviously, whether we need a budget at all considering the transformation Hungary is undergoing, or whether this budget is a good one. Well, a budget with a 78 billion forints deficit cannot be a good budget, a priori, but this budget cannot be good, either because the Hungarian economic information system is disintegrating. This is observable everywhere, in social policy, and in the National Savings bank. Housing credit registration is causing problems, too. [passage omitted]

We need a budget, naturally. I will not threaten you will the IMF; I will not say that the country will collapse. On the one hand, the IMF will support us as—[words indistinct], while on the other hand, I am convinced—otherwise I would not have accepted this job—that the country will not collapse. [passage omitted]

From the start I have aimed to be able to cooperate with the National Assembly Budget Committee on the basis of a rational compromise. This compromise had three basic principles: one, the maintenance of the functional ability of the state and its institutions; second, the refrainment from increasing the burdens of the population and if possible to reduce these; third, I have fully felt that the local authorities just start out on a new road—they are given tasks about which they as yet know little and forced to face problems which they cannot deal with. Thus, the local authorities must be cared for.

I must say that the government had supported me throughout—although sometimes I felt that we were facing a government reshuffle which we managed to get away without in the end because fellow ministers were very flexible or at least to a certain degree. [passage omitted]

I do not want to set it out in detail here, but the government accepted the Hungarian Socialist Party proposal about a three billion forints increase in entrepreneurs' profit tax, and a five billion forints increase of customs duties revenue via a mroe efficient duties collection. This was supported by the committee too, i.e. we did not discriminate among the proposers but took a position of rationality.

Second, we gradually accepted the sum proposed by the committee—the final limit was 25 billion forints, which is as far as we could go. The government I represented in the committee was very rigid regarding national defense, national security, and the funds for foreign trade, and it did not give in either in respect of the subsidies to agricultural plants in underdeveloped circumstances, because this is a question of employment policy, too, and not only agricultural subsidy. Nor did we give in on decentralized organizations' subsidies because we do not see how the fire service, the public health authority, or the freshly created offices of the commissioners of the Republic could function otherwise.

Therefore, we offered—and the committee accepted—that we cut subsidies for all items of material expenditure by the state administration by 12 percent each, starting from the Council of Ministers downward. We also offered to concede 500 million forints regarding the Ministry of International Economic Relations and other smaller items. This is how the 25 billion forints evolved.

The budget committee rejected both the government's proposal to increase by ft1md the subsidy for television, the 10 billion forints valorization of personal income tax, that local authorities and the Solidarity Fund should receive a seven billion forints subsidy each. However, the committee has accepted that solidarity will receive nine billion forints, the local authorities five billion forints, and the one billion forints that comes out of the raising of the public education quota.

I consider almost the most important the creation of the Solidarity Fund, which will now allow us to speed up the transformation of the economy. Though not fully sufficient, at least in the first six months, there will be safe financial resources to catch those who lose their jobs in the social safety net. This is what I wanted to tell you. Thank you for the cooperation.

International Economics Minister on Outlook

AU2812203890 Budapest NEPSZABADSAG in Hungarian 23 Dec 90 p 13

[Interview with Minister for International Economic Relations Bela Kadar by Zsuzsa Gal; place and date not given: "A Farewell to Political Omnipotence"—first paragraph is NEPSZABADSAG introduction]

[Excerpts] Compared to the uncertainties, postponements, and indifferent—or at times extreme—manifestations that the Antall government's economic policy has given us so far, the statements made on this topic by Bela Kadar in NEPSZABADSAG have been particularly noteworthy. In his first interview as minister, in May 1990, Kadar stated that a restricting economic policy and a strict financial policy had to be

maintained but that this should go hand in hand with a selective boost of supplies. In mid-August, when rumors started spreading about the immediate implementation of an economic shock therapy for the country, Bela Kadar stated on the first page of NEPSZABADSAG that there would be no shock therapy, but that nobody should believe that the worst part was behind us, because the low-point of the crisis was still to come. However, the starting point of our interview today was the actual sphere of authority of the minister, namely foreign economic policy.

[Gal] Mr. Kadar, our foreign economic policy has been seen as successful until now; however, your branch will be running into severe difficulties in 1991. In 1990, we were able to cover our public debt interest rate repayments of approximately $1.5 billion thanks to our income from tourism and trade, but in 1991, as a result of changes in East European trade, we will have to expect a trade deficit of approximately $1.5 billion. What could you do to stop Hungary's balance of payments from toppling over, and to enable the Hungarian state to honor its debt repayments?

[Kadar] As I have repeatedly stated, the most important thing is to continue with our export offensive. However, as a rule, a democratization and pluralization process does not usually create favorable social conditions for an export offensive. Indeed, it is always possible to mobilize people to argue against inflation, to fight for jobs, or to demand an adequate supply of goods, but I have never heard of anyone succeeding in mobilizing people to demand an improvement of the nation's balance of payments, or to argue for the creation of appropriate conditions for an export offensive. However, in accordance with budgetary balance requirements, it would be very easy to decrease certain expenditures, and the result of these reductions would be visible after 12 or 24 months, rather than one or two months. Traditionally, in times of crisis, budgetary cuts are made in the areas of education, health, and social benefits. This also applies to our collective stimulation of exports. In our 1989 budget, 4 billion forints were allocated to the stimulation of exports, a sum that was intended to boost our $5.4 billion export figure. Despite the considerably high inflation rates that have set in since then, for 1991—when allocations will have to boost an export figure of $11 billion (!)—only 5 billion forints have been allocated for this purpose. [passage omitted]

[Gal] According to you, 1991 will be a year of economic shock, and we will experience the most critical phase of the current crisis. However, as a man who is used to making economic forecasts, do you foresee anything beyond that?

[Kadar] There are certain milestones and delimiting areas. For example, it is a milestone that the West is beginning to realize that the correct approach to the problems of a peaceful transition does not lie in the proposal of models, but in something altogether different. It is a domestic milestone that political forces are beginning to see how serious the situation is, they are starting to realize how dangerous it is to play with domestic policy fire, and society is beginning to understand that history is presenting the check. Hungary was affected by the change of regime at a time when it had already surmounted the major difficulties of changing its economic model. We were far from beginners in May this year, when we opened up and liberalized our economy, and when we set up certain institutions. [passage omitted]

[Kadar] In a year's time, or at the beginning of 1992, Hungary may start upon a stabilizing phase. By then, we should have finished with our liberalizations, our deregulations, and the change of focus in our foreign economic relations; perhaps the physiognomy of our political parties will be more clear-cut by then, and maybe a change will have come about in people's consciousness. That would be the right time for developing all the aspects of a stabilizing policy, and in Hungary, this task might not take as long as in many other countries. [passage omitted]

Officials Interviewed on Economic Outlook

LD0101230191 Budapest Domestic Service in Hungarian 2100 GMT 1 Jan 91

[Interview with former Finance Minister Mihaly Kupa, Socialist Party Deputy Laszlo Bekesi, Chairman of the Alliance of Free Democrats Ivan Petoe, Chairman of the National Association of Entrepreneurs Janos Palotas, Department Chief in the Labor Ministry Ferenc (Munkacsy), Minister of Social Welfare Laszlo Surjan, and National Bank President Gyorgy Suranyi; by unidentified reporter; place and date not given—live or recorded]

[Excerpts] [Announcer] What is the opinion of leading economic officials and party politicians on Hungary's situation and possibilities in 1991? The first person to speak to our microphone is Mihaly Kupa, the new finance minister.

[Reporter] Many people say this will be Hungary's most difficult year.

[Kupa] I do not agree, because we have had very many difficult years. The real difficulty is outside our domain: it is partly East European trade, and partly the whole gulf crisis. I am speaking of the country, the people; it is a burden that can be borne.

[Reporter] What is the opinion of former Finance Minister Laszlo Bekesi, who now is a deputy of the Socialist Party?

[Bekesi] I fear that in the first half of the year the tensions might turn into a crisis; mass dissatisfaction, strikes, demonstrations might develop. I emphasize that this is not what I wish but I fear this very much. If we manage to avoid this, as a result of not a passive bearing

but a necessary much wiser government policy, perhaps we can get through the greatest difficulties next year.

[Reporter] What will this year bring, according to Ivan Petoe, head of the SzDSz [Alliance of Free Democrats] faction?

[Petoe] This, economically, will be the most difficult year, but I think that Hungarian society is beyond the shock that democracy itself does not give a better standard of living, and it does not ensure every possibility for social advance.

[Reporter] Janos Palotas, of the Hungarian Democratic Forum, who also is chairman of the National Association of Entrepreneurs.

[Palotas] I believe that after the past period, the year to come will be one of the most dangerous years. Nonetheless, I expect it to prove true that we do not have to choose from among the bad solutions the one which is least bad, but that the leaders who provide a good solution will come to the fore. It must be recognized that there simply is no blow that might not contain a danger, which in this case means having crossed the limit. It does not even have to be a nationwide blow.

There are accumulated antipathies among the people in society, in some of its groups, and in the economy; so it is all the same which is the social group that decides that its limit of tolerance has been crossed. [sentence as heard] It can almost certainly expect that society will take its side.

[Reporter] Employees will have a difficult year, says Ferenc (Munkacsy), head of department in the Ministry of Labor.

[(Munkacsy)] We expect that the open unemployment that appeared in 1989-1991 will be of a mass scale in 1991. It is conceivable that this unpleasant situation will affect 200,000-250,000 families at the end of the year. The means aimed at handling unemployment and which operate in a market economy exist in Hungary. So we can consider it a major result if the balanced, materially based operation of the system of means that existed up to now can be ensured. This requires 25-30 billion forints. At the moment there are uncertainties; the fate of approximately 5-10 billion [forints] has not been decided yet.

[Reporter] With what hopes is Laszlo Surjan, minister of social welfare, entering the new year?

[Surjan] [passage omitted] I only hope that the consumption of medicine will decrease. It is certain, for sure, that there will have to be a rise in the price of medicine. We would like to pass as little as possible of this on to the population. However, these will be considerable burdens. From a social policy viewpoint, it is necessary for us to see the entire Hungarian system of social policy, in unity. This is called a social law. In the first half of the year I would like to present this to parliament.

[Reporter] Now listen to the views of Gyorgy Suranyi, president of the Hungarian National Bank, on what our prospects are.

[Suranyi] I would like to believe that the favorable international economic trends that vigorously got under way this year will continue in 1991. I think that following the adoption of the budget, the possibility will open for us to sign the three-year longterm economic policy agreement with the International Monetary Fund, and this will create good conditions for us to guarantee in the international monetary markets the country's financing.

At the same time, it is necessary to be aware that, behind the favorable international economic processes, it will be necessary for the population to make very considerable sacrifices in 1991.

Foreign Ministry Official on Financial Problems

AU3112131390 Budapest NEPSZABADSAG in Hungarian 28 Dec 90 p 6

[Interview with Bela Havasi, general secretary of the Hungarian Foreign Ministry, by Tibor Eszes; place and date not given: "A Strategy to Find Our Feet in 1991"—first paragraph is NEPSZABADSAG introduction]

[Excerpts] Despite the great deficit of next year's budget, the Hungarian Foreign Ministry has asked for financial assistance to the tune of 5 billion forints, which is more than it has ever asked for in the past. We interviewed Bela Havasi on the reasons for this request, on the requirements of the Foreign Ministry's budget, and on possible solutions to this difficult situation.

[Eszes] Your financial assistance claims have more than doubled; this seems to be a perilous step to take under present circumstances.

[Havasi] We do not want to aggravate the country's difficult situation, but people have to know that 1990 fundamentally changed the Foreign Ministry's budgetary requirements. So far, we have abolished our obligatory visa system with 29 different countries. There is a price to pay for the unequivocal success of our foreign policy—which also lifts a great burden off the shoulders of the Hungarian population—and it is the Foreign Ministry's budget that will have to cover these costs. Indeed, visa fees constituted the greatest revenue of our ministry, and this income only used to be complemented by some 1.8-2 billion forints in state support. Just for your information I can tell you that, on the basis of our tourism figures for this year, we would have collected 3 billion forints if we had still had our old visa system in 1990; instead of that, our income totalled 600 million forints.

[Eszes] Moreover, the Foreign Ministry has opened and is continuing to open a series of new missions.

[Havasi] Within the framework of our 1990 budget, we have 68 embassies, a dozen general consulates, and

several international missions in operation, including our recently opened mission in the Vatican, and our general consulates in Munich and Zagreb. One of our representatives will shortly be traveling to Pretoria to open our new interest representation office. However, we have even greater tasks to accomplish in 1991, given that we are planning 14 or 17 new missions abroad. We might open Hungarian general consulates in Cluj, Kosice, and Uzhorod, but this depends on Romania, Czechoslovakia, and the Soviet Union, respectively.

[Eszes] Which are Hungary's most expensive, and cheapest foreign missions, respectively?

[Havasi] This year, Bonn is number one on the list with 161 million forints, followed by Vienna (with 150 million forints) and Tokyo (with 136 million forints.) At the same time, we have dozens of small missions, particularly in developing countries, which only cost us between 8 and 12 million forints. Nevertheless, these extremes also show us that, given the priorities of Hungary's foreign policy, we have to concentrate an increasing number of resources in Western Europe—and in the West in general—and there is a price to pay for that. [passage omitted]

[Eszes] Critics say that too many people work for the Foreign Ministry.

[Havasi] We are allowed a total staff of 1660 people; 910 of these employees work abroad, another 542 work in the Foreign Ministry at home, and the other employees are "in limbo," or working in the institutional area. We feel that we need this staff because the employees at our important new missions will also have to come from the ranks of this staff. [passage omitted]

[Eszes] Have you started to prepare the changes that are scheduled to take place in 1991?

[Havasi] Yes, we have, and these changes will be marked by three main characteristics. We are going to enforce the four-year assignment principle; we are going to call back most of our employees who are more than 60 years old. Our recruiting system will be a complete novelty: Candidates will be able to run for all Foreign Ministry posts—except that of head of mission—and appointments will be made following an evaluation by a special committee, and a decision taken at a Foreign Ministry meeting.

[Eszes] Some people have suggested saving money by closing down our previously inflated missions in Eastern Europe.

[Havasi] There have been and there are still reorganizations and staff reductions in this area, but on the whole, we will probably need the same number of employees because we will no doubt increase our representation in the Ukraine, in Russia, and perhaps in the Baltics. We cannot forget, either, that we are dealing mainly with our neighboring countries; significant Hungarian national minority groups live in these countries. The government is determined to increase its dealings with Hungarians abroad, and that includes Hungarians who live in our neighboring countries. Furthermore, at times when our neighboring states are going through fundamental changes, it is very important for our diplomats to guarantee the relay of information that is necessary to establish relations; we need people for this task. A drastic staff reduction would endanger this process. [passage omitted]

Minister on Cooperation To Fight Terrorism

AU2812203490 Budapest NEPSZABADSAG in Hungarian 23 Dec 90 p 5

["V.P."-signed interview with Minister Without Portfolio Andras Galszecsy; place and date not given: "The Intelligence Service Recruits 'Bellboys'"—first paragraph is NEPSZABADSAG introduction]

[Text] Based on information from the Soviet daily KOMSOMOLSKAYA PRAVDA, we have been in a position to inform our readers about a statement made by General Leonid Shebarshin, the head of the KGB's department number 1 (the intelligence service.) In his statement to KOMSOMOLSKAYA PRAVDA, General Shebarshin underlines how interested he would be in cooperation between East European secret services to fight terrorism and drug smuggling. On the other hand, General Shebarshin also agrees with the KOMSOMOLSKAYA PRAVDA newspaper correspondent, who believes that former allied intelligence services have become enemy intelligence services. To this, Shebarshin adds that "We have not lost sight of the development of events, and as long as the gathering of information is done within a civilized framework that I find acceptable (and it is in my interest that this framework remains fairly wide), then I see no reason for objections." We interviewed Andras Galszecsy, who has repeatedly stressed that the fight against terrorism and drug smuggling is a common concern.

[NEPSZABADSAG] What do you think about General Shebarshin's statement?

[Galszecsy] If General Shebarshin really thought that "enemy" was the appropriate word, then I disagree with him. Countries can be rivals in various ways, but they cannot be enemies. As far as the statement on the development of events and the civilized form of gathering information is concerned, I presume that General Shebarshin was referring to the Soviet Union itself; incidentally, I would agree with him on this point. I use the conditional, because in Hungary, the situation historically developed in such a way that our country was unique in seriously respecting the motto, "fraternal socialist countries do not conduct intelligence activities against each other." We did not even have a list of employees for such activities.

[NEPSZABADSAG] You are observed by sharp and sometimes critical eyes both from abroad and from

within the country. A correspondent from another Hungarian newspaper recently wrote that Hungary's intelligence had gone on a "spending spree." You are not only replacing furniture, you are also successively replacing cadres, and you are putting historians, jurists, and economists in leading positions, rather than letting them learn the trade as bellboys first....

[Galszecsy] I have also read that article, "The Intelligence Service Gets Rid of Its Old Furniture," an article that was divided into two parts. There is a lot of truth in the article, and it is a pity that the author did not come and see me. Indeed, it is not true that, as a result of this spending spree, 20 million forints are being spent on tools and small machines. The figure is wrong, and our money is not being spent on those articles. We spent 13 million forints on changing the security system that guarded the objects owned by our intelligence service; the previous system had been manufactured in the Soviet Union, and we replaced it with a Western system. Furthermore, not a single leader of the aforementioned categories has been recruited externally by our intelligence service. Moreover, given that this is also a profession that has to be learned, we are not looking for leaders, but for bellboys, as the article puts it. I will gladly repeat in NEPSZABADSAG what I stated on the Nap TV [Day Television] television program: Anybody who would be interested in learning this interesting, varied, and important profession from scratch, who has a university degree, who speaks languages, and who does not belong to a political party, should come and see me in my office with a curriculum vitae. My address is not strictly speaking secret, either: Number 4, Kossuth Lajos Square, on the second floor to the right. You have to ring the bell....

Nation Not 'Surrounded by Enemies'

LD2712171590 Budapest Domestic Service in Hungarian 1355 GMT 17 Dec

[Remarks by Miklos Borz, Independent Smallholders Party deputy, and Foreign Minister Geza Jeszenszky at a Hungarian National Assembly session in Budapest—live]

[Excerpts] [Borz] Esteemed Mr. Speaker, esteemed fellow deputies, ladies and gentlemen. I should like to make some remarks and statements in connection with the defense budget. [passage omitted] I would like now, free from emotion, to familiarize you with hard facts, and I ask you to consider these hard facts. After having considered these, I ask you not to debate, but to adopt the budget submitted by the Defense Ministry with too many compromises.

I will begin my presentation by saying that not so long ago the Hungarian Army belonged to the Warsaw Pact. As a consequence of this, we were unequivocally an offensive army. Nor is it a secret to anyone that the direction of attack was turned toward northern Italy. Now, this situation has ceased to exist. Hungary at present has no enemy concept. However, our army must be reorganized and prepared for so-called elliptical defense.

Therefore, we must develop an independent army. We cannot count on having allies at the moment. We must alter the disposition of the offensive army, because it is not feasible for the emphasis to be in Transdanubia. The alteration of the disposition will cost a great deal of money. Unfortunately, I did not really find the cost for this in the budget of the Defense Ministry.

In my view, the Defense Ministry was overly submissive when it reduced the budget amount from the planned 74 billion to 54 billion [forints] under the pressure and request of the Finance Ministry and government. This sum of 54 billion is so little that it cannot be reduced further. This budget sum is an optimistic amount, based on there being no possibility of a conflict taking place. To put it mildly, building on this cannot be allowed.

The first item, the first and most important one, is the country's security. When discussing the budget, out of consideration of the country's security we must determine the priorities, and what is most important? We must know if the country's security lacks a sound budget basis. I feel it is somewhat unnecessary to discuss other items in the budget, because if security ceases to exist then the budget will automatically be overturned. So this is what is most important.

I know that some of you are smiling at this, but I would like to familiarize you with what this budget is sufficient for. First, let us recognize the fact that budget support for the Defense Ministry has decreased from 6.5 percent in 1990 to 5.5 percent. This has the following consequences: There is not enough cover for replacement of out-dated technology. As a result the army would be unable to function properly in many respects.

The second point: For this reason, we also must draw on the so-called strategic reserves set aside for special situations. Since they are very costly, training and military exercises on the terrain cannot really be carried out, and thus training will to a large extent be restricted to training in the baracks. Driving conscripts three or four times daily through the assault course will not be sufficient for maintaining combat-readiness.

With the reduced budget, it will be impossible to continue to guard premises as the army has done up to now, free of charge as far as I know. I am thinking for example of guarding the vacated Soviet barracks, the vacated air bases and warehouses, etc. Obviously, the Defense Ministry will be compelled to cover these costs from other government support or from supplementary budgetary support.

The living conditions of professional soldiers and conscripts will deteriorate. Please consider what it means, from the viewpoint of the country's security, if the army

and the conscripts doing service in the army are not decently paid. I am raising this as an idea, only; the verdict is up to you.

Many people believe that the agreement signed on conventional armed forces in Europe and on arms reduction completely underpins the country's defense. Please, one who believes this does not consider the realities and the events taking place around us, those that can be expected to take place, that will intensify. I am thinking, here, of the disintegration processes taking place in the Soviet Union, of the danger of civil war that might exist or take place in the Soviet Union, of the refugee flood expected from there. I am thinking of the nationalistic processes taking place, although not yet at a government level, in neighboring states around us. I am thinking of the anti-Magyar activity conducted by the organization Matica Slovenska in Slovakia. This is also pertinent. Well, please, I am thinking of the uncertain situation in Romania, of the anti-Magyar activity of Vatra Romaneasca and of the fascist manifestations, and of the organized persecution of Magyardom in Transylvania. I do not wish to go into further detail on the Yugoslav situation, where a civil war situation might also develop. In general, if you please I could compare our country's situation in the world to that of Israel, which is surrounded by hostile states. [clamor heard from deputies] Please, if for some reason this European security, which is buttressed by agreements, were to be upset by chance, just like it was upset in 1956, when beyond sympathy and expressions of condolence we received no help whatsoever as everyone was preoccupied with the Suez crisis, it would be the same now; if something were to happen in Europe, everyone in the world would be preoccupied with the gulf crisis. And again we can expect sympathy and condolence, at the most.

Ladies and gentlemen, I do not wish to take up more of your time. Please consider, when the vote is taken, whether the budget can be tampered with at all; please debate what it is that enjoys priority - environmental protection or public education, the courts' budget or perhaps agriculture, or I do not know what, as opposed to transport. Such things can be debated, but there can be no debate over the defense budget, which is already squeezed to the minimum. Please, ladies and gentlemen, I know that this is not the opinion everyone holds, but please consider what I have said and please adopt the defense budget as the ministry submitted it, without any tampering. Thank you for listening to me. [passage omitted]

[Jeszenszky] Esteemed Mr. Speaker, I did not really come to today's session with the expectation that there would be matters touching on foreign policy. [passage omitted] I listened with approval to the contribution made by Mr. Deputy Miklos Borz in which he praised the importance and argued in favour of Hungarian defense. However, I also have to say that foreign policy, or I personally, do not agree with the situation assessment. I specifically consider one passage as requiring a reply, the passage that evoked the enemy concept. Here, I believe it is important, if we are members of the Council of Europe too, to state that Hungary does not feel it is surrounded by enemies. Every state, especially one like our own which lives in a historical storm zone, is subject to the danger that hostile feelings, hostile parties and people might perhaps gain greater influence than what we perceive now; however I myself do not consider this categorical statement to be correct, and I believe I must point out that the standpoint of government and the Foreign Ministry, in foreign policy, is not that we are surrounded by enemies. Thank you. [applause]

Engineers' 2-Hour Warning Strike Over

LD0201103391 Budapest Domestic Service in Hungarian 0600 GMT 2 Jan 91

[Excerpts] [Announcer] The two-hour warning strike by the engineers has just ended. Janos Borsik, acting deputy chairman of the Engineers' Trade Union, told us the following on the phone a few minutes ago:

[Begin Borsik recording] We are happy that our two-hour warning strike went off without any particular conflicts or problems. We would like to amend the information the listeners were given an hour ago by the deputy managing director [of state railroads] according to which we are not in contact with them. We would like to state that the negotiations have not broken down, they have not been suspended. The two negotiating delegations will continue their work. [passage omitted] [end recording]

[Announcer] Istvan Sipos, state railroads deputy managing director, is on the line. I imagine you have observations to make about the above.

[Sipos] I would like to inform the esteemed listeners that indeed the warning strike from 0500 to 0700 went off without problems. I would like to point out that the engineers' strike was not joined by engineers belonging to the Trade Union of Railwaymen or the Free Trade Union of Railway Workers. I would like to say that from 0700 onward we will be striving to restore the railway schedule by 1000 or noon. [passage omitted]

Walesa Sends New Year Greetings to People

LD3112170990 Warsaw PAP in English 1420 GMT 31 Dec 90

[Text] Gdansk, Dec. 31—In a New Year address broadcast from his Sopot residence near Gdansk by the Polish radio and television tonight, President Lech Walesa said:

Although I have been president for only a few days now, it has proved long enough to feel the burden of these tasks. The state of the country may arouse a justified concern. Many, very many things are waiting to be set straight, marshalled, but in order.

As president I am obliged to tell the nation the truth. The truth is: Things will not be easy. But I can say with full responsibility that the time of making no progress is over. The time of inability is also over. From now on we shall vividly march forward. We have enough strength, faith and abilities to change Poland. We shall work together to build a new economic order. I know we can do a lot of things.

I would like a new government to focus on economic issues. In the difficult period of transition we must not allow for political tensions within the government. I would like to see all political forces, while not giving up their identity, join the common work aimed at the same goals. We are a free nation again. We have to use our freedom wisely, to guarantee our homeland security and strength in the changing world.

In the next year, each of us has an important task to complete. Everybody should feel responsible for our state, for creating a better and more normal life.

On this solemn day I address my best greetings to all Poles at home and abroad, those who are busy at work and those who are preparing for new year parties. I wish all of you inner strength and joy, persistence in reaching personal and common goals. I wish you peace and happiness.

Walesa Meets, Greets Political, Party Leaders

LD3112172490 Warsaw PAP in English 1646 GMT 31 Dec 90

[Text] Gdansk, Dec. 31—President Lech Walesa has spent the last day of the old year on intensive political talks and meetings in his residence in Sopot near Gdansk.

Walesa's press spokesman Andrzej Drzycimski said that the president held talks with many Polish politicians and conveyed his personal greetings to his collaborators and friends, also those who are far away today. Walesa wanted to talk to them and to invite them for cooperation. The president held telephone conversations with Andrzej Gwiazda and Anna Walentynowicz, his former close collaborators, Wladyslaw Silanowicki, the president's former, adviser, Marian Jurczyk, the leader of Solidarity-80, Leszek Moczulski, the leader of the Confederation for an independent Poland and Kornel Morawiecki, the leader of the Freedom Party. Due to Morawiecki's absence the greetings were conveyed to his family.

During a meeting with the chairman of the Gdansk Regional Council and the deputy chairman of the National Council Grzegorz Grzelak, the president discussed matters pertaining to the wider scope of powers of local administration bodies. Grzelak was invited to help solve these problems in cooperation with the Presidential Office.

Walesa met also with members of the Democratic Party, Taduesz Bien and Tadeusz Rymszewicz with whom he discussed the need for constant consultations between the president, society and all the political parties. The president deemed it useful to set up a political council which would associate representatives of political forces and orientations and stressed the need for wider consultations.

The president also held a meeting with deputy Sejm speaker, the chairman of the Social Democratic Party Tadeusz Fiszbach. The two exchanged New Year greetings.

President Lech Walesa will greet the New Year with his family in Gdansk and will return to Warsaw in the evening of Jan. 1, PAP has learned.

Jaruzelski's Absence During Swearing-in Explained

LD3112160490 Warsaw PAP in English 1504 GMT 31 Dec 90

[Text] Warsaw, Dec. 31—In connection with questions and doubts which followed statements made by Senate Speaker Andrzej Stelmachowski and Deputy Sejm Speaker Tadeusz Fiszbach concerning the reasons for President Wojciech Jaruzelski's absence at the meeting of the National Assembly on Dec. 22, 1990, Sejm Speaker Mikolaj Kozakiewicz said that he had met twice with the president on Dec. 21 and 22.

Kozakiewicz said that during the second meeting held at his request, he asked President Jaruzelski whether he would take part in the meeting of the National Assembly. The president said that in his TV interview of Nov. 25, he had pledged to comply, in this respect, with the will of the president-elect and other groups.

After the presidential elections, the representatives of President Wojciech Jaruzelski and the president-elect, General Michal Janiszewski and Jacek Merkel, met and the latter suggested that General Jaruzelski should not take part in the swearing in ceremony but should be the first person to hold a meeting with the new president on the following day in the Belvedere Palace. To keep his word and not to complicate the swearing in ceremony, President Jaruzelski accepted this proposal, Kozakiewicz said.

Railway Workers Hold Warning Strike 31 Dec

LD3112114790 Warsaw PAP in English 1038 GMT 31 Dec 90

[Text] Warsaw, Dec. 31—More than 9-hour-talks held on Dec. 30 by representatives of the four trade union organizations of railway workers and the management of the Polish State Railways ended in a deadlock.

A warning strike held by railway workers between 6 a.m. and 7:55 a.m. today took various forms as not all railwaymen were taking part in it. Only in Katowice and Lublin regions the railway traffic was completely blocked while in Poznan it covered only 70 per cent of the scheduled traffic. Also in Warsaw traffic was partly stopped.

Eleven trains were stopped in the Pomeranian district while in Upper Silesia railway workers hoisted banners on all the railway installations. In Lower Silesia due to strike 12 passenger and four freight trains were stopped.

The managerial board of the Polish State Railways is still ready to introduce pay agreements within the available financial means, i.e. some 300,000 zlotys per worker.

Wage Agreement Signed

LD0101203291 Warsaw PAP in English 1905 GMT 1 Jan 90

[Text] Warsaw, Jan. 1—A new wage agreement—as negotiated with all railway trade union organizations on December 30, 1990—was signed between the general management of the Polish State Railways (PKP) and the two out of the four transport trade union organizations on December 31, 1990. These organizations include the federation of the unions of the PKP employees and the national section of the Solidarnosc railwaymen affiliating 95 per cent of all railway unionists and a representation of the entirety of professions in the PKP.

Under the agreement, the railwayman's wage will rise on the average by 300,000 zlotys per one PKP employee as of January 1, 1991 and the money for new raises will be the subject of new talks by the PKP general management and the trade unions with the government.

(National average pay in basic sectors of national economy by the end of November was slightly above 1,400,000 zlotys.)

About 22 per cent of railway stations and 33 per cent of locomotive depots took part in the warning strike on December 31, 1990. The traffic of trains was almost entirely held up in the Silesian and Eastern District managements of the state railways. The strike paralyzed also most transports in the Western District management of the state railways. Only sporadic stoppages took place in other regions.

Syryjczyk Cited on Restructuring Defense Industry

AU0201114391 Warsaw POLSKA ZBROJNA in Polish 28 Dec 90 p 1

[Statement by Industry Minister Tadeusz Syryjczyk for POLSKA ZBROJNA: "Defense Industry: Direction—Privatization"]

[Text] POLSKA ZBROJNA asked Minister Syryjczyk to comment on the results the Ministry of Industry achieved in relation to the defense industry sector in 1990, and to give an economic forecast for this sector of industry.

"The economic crisis in Poland has had serious consequences for the defense industry sector. The year 1990 was notable for a substantial fall in orders from the Ministry of National Defense, other Polish consumers, and from CEMA countries. It also saw a steep rise in the prices for finished production. This led to serious difficulties in disposal of the production, because the purchasers did not have the means to pay for them. The unexpected fall in demand for military equipment and armaments was a result of the worldwide political situation, as well as the political situation in Poland.

"This in turn meant that arms manufacturers found themselves in serious difficulties. They had their own financial and other commitments to meet, for example, to their own suppliers. Excess production capacity could not always be channeled into producing goods for the civilian sector and many planned defense investments have had to be shelved for the time being. The Ministry of Industry has attempted to alleviate the financial difficulties of defense industry manufacturers and to prevent these enterprises from going out of business.

"The ministry is also trying to help by contributing to the cost of purchasing new licenses as well as the technical aspects of modernizing pr ion in the event the demand for production is insufficient. Regulations already exist that will enable the state to subsidize and maintain production machinery and facilities at readiness level in the event there is a military threat or even war.

"As a result of the Gulf conflict, some of our manufacturers have found themselves unable to effect delivery of their finished orders over the last few months, and they now find themselves in serious financial difficulties trying to service the bank loans they secured to pay for this production. This is also the situation at the 'Bumar-Labedy' defence factory and at the Stalowa Wola Steelworks.

"It is imperative that we do not allow an important defense manufacturer like 'Bumar-Labedy' to collapse. Its collapse would mean the collapse of many of its own suppliers in turn and these are important to Poland's defense requirements. It is crucial that the Ministry of National Defense and the Ministry of Industry elaborate a new plan that will ensure the supply of equipment to

our Armed Forces and on from this agree a plan to restructure our defense industry sector.

"For this reason, the Ministry of Industry has formed a Defense Industry Council that will be composed of interested ministries. Its aim is to coordinate efforts in this area, map its direction, and organize the way the sector is to function. The council is a replacement for the Council of Ministers' Defense Industry Committee, which, to all effects, has ceased to meet. It will also be necessary to abandon the notion of 'self-sufficiency'—this was false anyway—in our defense industry sector and concentrate on what our Armed Forces really need and the sort of products that meet world standards. This will enable us to sell our products worldwide. The defense industry must strive towards greater unification of production, modernization, and it must reject outdated or insignificant product lines, because this will be unprofitable.

"The difficulties that our defense industry faces may have undesirable supply consequences for our Armed Forces in the new market economy conditions and the structural and ownership changes that will happen in industry. Like the rest of our industry, defense industry manufacturers are subject, and will continue to be subject, to the rules of a capitalist economy. They, too, will undergo a process of privatization. The ministry has only raised one reservation, namely, it considers that about 20 individual manufacturers who have particular significance as suppliers of equipment and armament for the Polish Armed Forces should be restructured into companies in such a way as will allow the state to retain sufficient control over their activity. From the number of 80 manufacturers who currently hold a defense industry sector designation, there are plans to retain about 10 state defense industry enterprises with this special designation.

"Generally speaking, the most important aspects will now be the profitability of production and the nature of the contractual arrangements between the manufacturer and consumer. From 1990, defense production ordered by special consumers no longer had a mandatory character. We want to see this principle applied to the whole product cycle, namely, from research and development to direct sales and assignments.

"This short sketch of the current situation in the so-called defense industry and in particular the plans of the Ministry of Industry for developing this sector further, has been elaborated in a draft paper entitled: 'Principles of Organization and Financing of the Defense Industry.' The draft is now before the Economic Committee of the Council of Ministers."

Minister Osiatynski Summarizes 1990 Economy

LD0101191591 Warsaw PAP in English 1801 GMT 1 Jan 90

[Text] Warsaw, Jan. 1—PAP has asked Minister Jerzy Osiatynski, the head of the CUP Central Planning Office, to sum up the balance sheet of the Polish economy in the passing year.

"Despite the unquestionable successes we scored, I bid farewell to this year a much greater pessimist than when I greeted it. Among the successes I include the balance, albeit very thin, which we have gained. The fact that commodities are already available at stores," Osiatynski said.

"Very little has however changed in the reactions of producers. Complaining about lack of demand is not accompanied by adjustments to the expectations and needs of the clients," the minister observed.

"A convertible and increasingly strong zloty is a success of this year, as is the very dynamic expansion of the private sector. The creation of the underpinnings of market institutions, a capital market, labour market, and commodities and services market, is also an achievement.

"The exchange rate of the zloty, maintained throughout 1990 is at the moment probably the only anti-inflation anchor which still holds. Unfortunately the 'wages-prices-wages' dance has already begun. If we cut off this exchange rate anchor, coupled with pressure to ease up monetary policy and a weakening of the tax on excessive wages—which many branches of industry are demanding—then everything could fall apart.

"The five percent monthly price increase recorded at the end of the year gives us an annual price increase index of some 70 percent. This is an exceptionally high inflation rate.

"We are still on quick sand. Much effort still awaits us. But a different political climate is needed for this effort to be made. The conviction—aroused during the (presidential) campaign—that the outgoing government could have given a lot more but did not want to, is greatly unjust and not worthwhile taking issue with. Expectations that the new government will have the means to give more... will tremendously hamper the implementation of the (economic) policy in the new year," Osiatynski concluded.

President Ion Iliescu Reads New Year's Message

AU3112210490 Bucharest Domestic Service in Romanian 2030 GMT 31 Dec 90

[New Year message from President Ion Iliescu to the nation; place not given —live]

[Text] Esteemed television viewers and radio listeners, citizens, and friends: There is a tradition that, at the end of the year and the beginning of a new one, chiefs of states address the nation to sum up the year that has ended and outline the avenues and prospects of the coming year.

Permit me not do so on this occasion, especially since not long ago I presented a report in parliament on the first anniversary of the Romanian revolution, which included all these things.

Therefore, now on the eve of the new year, I will just convey warm wishes to all of you. May the coming year give us the necessary moral strength—the moral strength that helped our people throughout history to cope with difficult times. The coming year will not be an easy year and we need that strength.

May it give us the necessary wisdom for better understanding among all of us. May we overcome suspicion, mistrust, and hatred which have poisoned the social atmosphere this past year. May we find the necessary wisdom to build bridges of understanding between all the sons of this country and all pure minds and souls, so as to lend greater serenity to the efforts required to build our country and ensure greater serenity and joy for our families and children, and more occasions for smiles. By the way smiles: I have numerous advisers—friends and critics—who even teach me the way to talk and not to talk, the way to smile and not to smile, and the way to gesture or not with my hands.

In conclusion, permit me to convey to all of you a smile of encouragement and friendship.

Happy New Year!

Commission Reports to Assembly on Mihai Visit

AU2912143690 Bucharest ROMPRES in English 1306 GMT 29 Dec 90

[Text] Bucharest ROMPRES, 29/12/1990—Saturday morning, 29 December, the Assembly of Deputies continued its proceedings.

Before the items on the agenda were approached, Messrs. Dan Lazarescu on behalf of the PNL [National Liberal Party] parliamentary group and Ioan Diaconescu, representing the PNT-cd [National Peasant Christian Democratic Party] recalled the personality of the late politician I.G. Duca, former chief of the National Peasant Party, head of government, dastardly assassinated more than six decades ago by Iron Guard gangs.

Further on, deputy Ladislau Borbely, speaking for the UDMR [Magyar Democratic Union of Romanian] parliamentary group, read a protest of this political union against the serious accusations uttered in the 27 December session of the Assembly. In his address, the speaker utterly denied the assertion that a coup had been staged at Tirgu Mures and demanded that, for the ungrounded accusations brought by Deputy Dumitru Pop, the latter should be summoned before the Parliament's commission for jurisdiction, discipline and immunities.

The assembly further examined the request of deputy Stefan Cazimir that two deputies from the PNL parliamentary group should be called before the same commission for serious offences they had brought to him. Debating the case, the Assembly rejected deputy Stefan Cazimir's request.

Also during the first half of today's session, the Assembly debated President Iliescu's message inviting the Assembly to reanalyse some of the items in the bill on the social protection of the unemployed and their professional reintegration, so as to arrive at provisions apt to secure a better protection of the temporarily unemployed, in the spirit of the alterations formerly proposed by the Senate.

The Assembly examined the suggestions carried by the message, suggestions resulting from the agreement reached after the government-trade unions negotiations, and approved the proposed amendments.

The latter part of the Saturday session was devoted to a preliminary report of the special commission set up by the Assembly, to investigate into the circumstances of ex-King Mihai's arrival in Romania. According to the report the following persons have been heard: from the Romanian Intelligence Service, Director Virgil Magureanu; from the Ministry of National Defence, Lieutenant General Horia Opruta, air force commander; from the Ministry of Interior, Minister Doru Viorel Ursu, Colonel Teodor Andrita, deputy to the head of Passport and Foreigners Registration Division, Major Nicolae Suta, on duty at Otopeni frontier checkpoint on 25 December 1990; from the Civil Aviation Department, Colonel Dorin Dumitru Priunariu, minister secretary of state, Major Stanciu, commander of Otopeni Airport, Major Gheorghe Avramescu.

The commission presented some of the preliminary conclusions, remaining to submit the final report, conclusions and proposals upon resumption in plenum of the Assembly's proceedings.

Mihai's New Year Message to Nation Reported

AU0101144091 Bucharest Domestic Service in Romanian 0500 GMT 1 Jan 91

[Text] Last night at 2130 [1930 GMT] the BBC broadcast a message addressed to the Romanian people by ex-King Mihai of Romania on the occasion of 31 December 1990.

After expressing regrets that he had been hindered from praying, together with his family, on the holy day of Christmas in Romania, ex-King Mihai expressed dissatisfaction with the situation in our country a year after the revolution.

In conclusion, the message reads—quote:

Let all of us, together, reestablish the unity our country needs so badly to bring peace and quiet to the souls of our fellow citizens. Only thus will we be able to achieve genuine economic progress and come to know true social justice. Let all of us, together, affirm the dignity and the moral strength of Romania, so as to re-enter the big family of the free and prosperous European nations. The talks I conducted in the past year with their political leaders proved that we are welcome.

Let us pray today—the message of ex-King Mihai continues—for the future of all Romanians, no matter where they may be: In the country or outside its borders. May God almighty bless our deeds and guide us toward a better world. This is the desire I harbor for our country in 1991, for each of us, and for our families.

In the conclusion of the message, the ex-king conveyed, on his behalf and on behalf of his family, wishes for a happy new year, health, happiness, and good luck to all Romanians.

Pro-Monarchist Meeting Against Mihai's Expulsion

AU3012164190 Bucharest ROMPRES in English 1614 GMT 30 Dec 90

[Text] Bucharest ROMPRES 30/12/1990—Organised by the formation "Antitotalitarian Revolutionary Forces for the Consolidation of Unity and Freedom—Fracul," a meeting of protest was held in the Unirii Square in Cluj-Napoca on Sunday at noon which was attended by several thousands of people. The participants protested against ex-King Michael's expulsion and rendered the Romanian authorities' action as a violation of human rights. Among the speakers at that meeting was also Doina Cornea, president of the Antitotalitarian Democratic Forum of Romania.

It was read a protest of the Antitotalitarian Democratic Forum of Romania in connection with ex-King Michael's expulsion.

Those present chanted promonarchist as well as anticommunist, antigovernmental and antipresidential slogans.

Ex-King's Expulsion Said To Violate Human Rights

AU0101200291 Bucharest Domestic Service in Romanian 1800 GMT 1 Jan 91

[Text] In a communique released for publication on behalf of the Romanian League for the Protection of Human Rights, the view is expressed—quote: That in the case of King Mihai I and the royal family discriminatory action has been taken by violating Article 13 of the Universal Declaration on Human Rights, which stipulates that any person has the right to move freely and to choose his residence inside a state, and that any person has the right to leave any country, including his own, and to return to his country.

Plesu, Dijmarescu Queried on Plesu's Resignation

AU3112130790 Bucharest Domestic Service in Romanian 1100 GMT 31 Dec 90

[Interview with Culture Minister Andrei Plesu and Eugen Dijmarescu, minister of state in charge of economic guidance by unidentified reporter in Bucharest on 31 December—recorded]

[Text] [Reporter] Mr. Andrei Plesu, we have learned from foreign media sources that you have resigned from your position as minister of culture. We admit to our guilt that we did not [words indistinct], as would have been natural.

[Plesu] Indeed, I too was upset by the fact that, while foreign news agencies and press kept ringing me up insistently, no representative of the Romanian media gave me a call. It is hard for me to see how they learned about this resignation while you did not. Anyway, it was not me who volunteered to supply the information, that information was asked of me. Now, about the resignation. Last Friday, at noon, I handed in my resignation to the prime minister. I would like very much to point out that this resignation is not of a political, but rather of a technical nature, since the rumor has already spread that I resigned in protest over the so-called expulsion of the king. I resigned over the fact that, not for the first time, I find myself in a position of having to take note of government decisions and communiques without the plenum of the government having been consulted. Therefore, in this particular instance, I was confronted with a decision—which, in my opinion, is not the most fortunate one—in connection with the king's arrival. Therefore, a decision was taken—I repeat, not the most intelligent one—and a communique was released, on behalf of the government, by Mr. Baltazar. Neither the decision, nor the communique went through the government. I do not find it natural that the government should learn about such events like any other citizen of the country. In order to draw attention to this irregularity—we are dealing here with a crisis of communication within the government—I decided to hand in my resignation.

In the afternoon of the same day, I had a discussion with the prime minister, who refused to accept my resignation. That talk was very long and useful. The prime minister was very eager for both of us to find a good solution for this moment. However, I am waiting for the next government meeting, in which we can discuss this kind of incident point by point, so as to avoid a repetition.

[Reporter] Mr. Dijmarescu, before the next government meeting, Bucharest radio would like to hear your opinion on this affair.

[Dijmarescu] In connection with Mr. Plesu's statement, I would like to tell you that the government is truly surprised to find out that his expressed desire concerning a possible withdrawal from this cabinet was conveyed to the mass media before the government had had its say on this decision. Second, I would like to draw attention to the fact that the reasons that made Mr. Plesu ask to be relieved from his position are of a procedural nature; consequently, this issue should be discussed in the plenum of the government. I would also like to draw attention to the fact that the reasons given by Mr. Plesu for his gesture are, as he (?claims), the need for any kind of major government decision to be taken in a plenary meeting [words indistinct], to the extend that all cabinet members should be informed (?on) the procedure for taking decisions within the government.

Concerning the reasons that led Mr. Plesu, under the pressure of events in which he participated from a distance—events related to the arrival and the departure, respectively, of the former King Mihai—I would like to say that all that happened during the (?night). I would also like to remind listeners that the former king arrived in the country on Christmas Day, at a time when everyone in the country was celebrating this event, and that border crossing procedures are the same in all states. Indeed, it came as a big surprise—not only to the government, but I believe to the entire country—that former King Mihai tried to enter the country by the back door. This act does him no credit. Given the fact that the list of passengers did not include the real names of those who arrived in the country, the Ministry of Interior and the border-crossing control organs were the ones legally empowered to take appropriate steps in connection with such an illegal procedure.

Concerning the government's decision about Mr. Plesu's request, we have to wait until the next cabinet meeting, which will discuss this situation in its plenum and will also decide on ways and means to consolidate the coherence of the governmental team, which is a very important and necessary thing in the current stage.

Plesu Criticizes Government for 'Hasty Decisions'

AU3112194590 Bucharest ROMPRES in English 1524 GMT 31 Dec 90

[Text] Bucharest ROMPRES 31/12/1990—Mr. Andrei Plesu, minister of culture, has submitted his resignation to Prime Minister Petre Roman. The prime minister accepted the resignation which is to be examined during the government's meeting.

In connection with his resignation from the office of minister of culture, Mr. Andrei Plesu stated the following to a ROMPRES editor:

"On Friday at noon I submitted to the prime minister's office my resignation which, I want to stress it, is not a political-type but a technical-type one. It means that, starting from the incident of Michael of Hohenzollern's arrival in the country, I have found out that the government does not operate properly. Because decisions are made in the government's name and communiques are released in its name by the government's spokesman which are not submitted for approval to its members. Therefore, the government members learn about their own communiques at the same time with all the other citizens, without previous consultations of the ministers. This is in my opinion a communication crisis within the government. And it entails the risk of making hasty decisions without the consultation of the executive plenum but, nevertheless, in its name. Therefore, decisions made in the government's name, communiques, lack of consultation. In this case there were in my opinion, but my minister colleagues may also have had opinions in that respect many variants to settle the aforementioned incident less brutally and with less spectacular consequences than it might have. The blunder which the king had made by his irregular arrival in the country could have been counteracted by numerous means, not by a mechanical, hasty reaction but by an elegant, subtle, intelligent reaction able to settle the crisis before it started. The fact that neither I nor many of my colleagues had the opportunity to express our points of view as well as the fact that, on the other hand, although I had not such an opportunity, there was some talk in my name caused my present gesture to draw attention to the deficient operation of the governmental team through a resignation. As far as the monarchic issue is concerned, I do not want to make any statements because it is not I who should make decisions. I think that the whole people should make a decision in this respect. Furthermore, if it is for me to have a personal opinion, I think there was no danger for the king to have such a large audience in nowadays Romania which might call for force measures to be necessary to prevent his visit. It is quite clear that Romanians are not monarchists now and this is why I do not understand such a violent reaction. I also do not understand, I did not understand from the government's communique—the so-called government's communique, because, I repeat, I have learned about it from the radio and television news—the assertion that the royal family has always despised the Romanian people, that we have an antimonarchic tradition, because, as far as I know, we had a long monarchic tradition, until 1947 we had only kings. The reference to certain documents signed by Petru Groza, Parhon, Ana Pauker as well as by others of their kind which are considered as documents guiding us today seems quite incredible to me. They were documents made under the pressure of the political moment when communism and Russians were deciding upon everything. How could we make reference to such kind of documents to give us a rule of behaviour? These are blunders that could have been avoided in the case of a consultation in plenum.

I should also add, as a piece of information, that after my resignation, in the same afternoon, namely on Friday, I held a long talk with the prime minister who had not accepted it and who had nothing against my intention to make public my opinions. And I am still waiting for a

government meeting where I could discuss this situation in plenum. I cannot say what will be next, because I do not know.

Roman Interviewed on Various Government Issues

AU2912173590 Bucharest Domestic Service in Romanian 2044 GMT 28 Dec 90

[Report on interview with Prime Minister Petre Roman by unidentified reporter in Bucharest on 28 December—outline read by announcer, with recorded excerpts of Roman's statements]

[Text] [Announcer] In the first part of the interview, the prime minister answered a few questions in connection with the activity of the government. To begin with, he talked about the activity of the provisional government emphasizing that this activity has to be reconsidered within the context of the difficult stage, which the government has passed, and within the context of political confrontations and involvement in the elections. Then Mr. Petre Roman assessed the activity carried out by the government in the postelection period emphasizing its unequivocal involvement—with seriousness and professionalism—in the economic reform and the transition to a market-oriented economy. He stressed that the succession of the stages traveled proved to be realistic, and referred to results achieved in agriculture and industry in 1990.

The prime minister then answered questions regarding the way dialogue with the opposition political forces and with the trade unions was conducted this year and specified that the first gain is the dialogue itself, that getting used to dialogue leads to constructive solutions, and that this dialogue will continue next year. As far as the government's dialogue with the parliament is concerned, Mr. Petre Roman emphasized that initially it was characterized by lack of knowledge about the separation of powers in a democratic state, and a tendency of interference in both directions, but that at this time one can speak about common efforts in the sense our society desires.

Asked about the attempt by ex-King Mihai I of Hohenzollern to enter the country, the prime minister said:

[Roman] Leaving aside the facts, which are known, which were mentioned by our government institutions, and which undoubtedly condemn these actions by Mihai of Hohenzollern, I would like to say something that is of greater substance about the government's action.

You see, we were faced with a status quo that violated the government's prerogatives. We were not given the opportunity to judge. There was a flagrant violation through that lie about the passengers in the plane that overflew Romania. That was very bad. Then he presented himself without any visa, being the holder of a diplomatic passport. In the case of a diplomatic passport—that is known—visas cannot be granted by anyone but the Foreign Ministry or diplomatic missions. That was bad. Okay, if you do arrive, then wait so that the government—on the basis of what you request—may have its say. Do at least that much. And maybe the government—bearing in mind what this person and his family were requesting—would have said: In this order, we will also ensure the necessary protection and permit you to have this 24-hour program. However, he did not even give us a chance to use the government's prerogatives, which is an elementary thing, namely to issue an entry permit to a citizen—no matter who—and to make a decision in connection with that citizen's request.

To abandon your passport and to cross the border is an act that fully disqualifies that person. However, I want to emphasize that—through everything I have said—the government does not disqualify and does not try to disqualify royalty as it does not want to disqualify the history of royalty in Romania, something that belongs to a much wider political spectrum, that depends on a parliament decision, for instance. These are things that have to be discussed at a completely different level.

What we did was to proceed in accordance with the sovereign rights of this state—we being the representatives of this state.

[Announcer] The next question the prime minister was asked referred to the government's viewpoint on price liberalization in 1991.

[Roman] This is a very important question, which includes two distinctive questions: First, the completion and corrections for the first stage of price liberalization about which I will talk immediately, and then what we actually have to do in 1991. In essence, I have an order here, which we have to issue tomorrow, regarding corrections in the price liberalization process, but not in its essence. As far as its essence is concerned, this process was launched correctly. However, there were some violations of the government decision itself.

Thus, the order to be issued tomorrow establishes two things: First, reducing certain tariffs of basic raw materials which will then influence and cause a chain reaction in the economic flow. Second, determining maximum coefficients for modifying wholesale prices in the basic industry—chemical, petrochemical, metallurgical, and timber industry. This has to lead to setting prices for the end-product in such a way as to ensure much more reasonable price increase coefficients.

Well, all this refers to the liberalization stage we have gone through. As far as 1991 is concerned, the conclusion of the liberalization process is inevitable, which also means the setting free of prices for 29 products; in this respect, the state must grant appropriate compensations. Regarding these compensations, you must realize that the relevant analyses were made by honest people, who care about the socially weaker ones. This is something that just has to be said.

[Announcer] During the interview, the prime minister discussed certain foreign policy issues. Answering a

question about how far or close we are to entering Europe, a year after the revolution, Mr. Petre Roman said:

[Roman] Irrespective of the criticism leveled at us, I state that we are very close to it. Why? Because we managed to build in Romania, or at least are at the point of building, a system of values which is the same as the system practiced in the Western European countries. Once we have the same system of values, it means that we are partners, that is, we live in the same community.

To be more concrete, I would add that I am primarily talking about the system of democratic values. I do not want to dwell upon it now. We have built this system together with the main European international bodies and other world bodies. Consequently, the main legislation, regulations, and foundations of our democratic institutions were laid in accordance with these acknowledged standards in the civilized world. This is a decisive step.

Second, we are implementing an economic reform which everybody admits is well thought out and compatible with Romanian society. Of course, it implies some hardships, but, generally speaking, it is well thought of in Europe.

Third, we are already concrete partners within the European Economic Community and, by all signals received, also within the Council of Europe. On 29 January, I will go to the Council of Europe where I am scheduled to hold a news conference on the economic reform processes in Romania. Aside from all this, we have a lot of increasingly improved bilateral relations with the primary Western European countries. All this amounts to a coherent and solid collection of facts concerning Romania's integration within Europe.

[Announcer] The prime minister then referred to Romania's relations with the two superpowers, the United States and the Soviet Union.

[Roman] At this time, our relations with the United States are moving toward an opening. Many of the obstacles to a broad opening toward the United States were due to a lack of correct knowledge of the actions of this government and, generally speaking, of the political power in our country. The openings that you mentioned then began to emerge and we are currently expecting to see a greater U.S. presence in Romania. However, you should know that even in 1990, which is not exactly a reference year, Romania has been the main importer of U.S. products compared with all other countries in Central and Eastern Europe. This is a fact. Our country is in third place concerning exports to the United States. Of course, an obstacle here is the fact that we still do not enjoy most-favored nation status, but the procedural steps toward this goal have already been started.

Concerning our relations with the Soviet Union, until now, we have had, as everybody knows, strong trade relations with the USSR. These relations were on a barter basis, that is, we took gasoline, natural gas, and crude oil from there and we sent various installations, furniture, and important manpower teams that are building various units in the USSR. We believe that this should be continued, because it is difficult for both of us to find another market, under more advantageous conditions than the current one. After all, the market is the soul of the market economy. Therefore, in this respect, we hope that we can continue this exchange activity, which is to the benefit of both countries. As a matter of fact, this is the basis of our ties with the USSR.

[Announcer] Mr. Petre Roman was asked about the possibility of building an economic bridge between Romania and the Republic of Moldova, in view of the interest shown in this respect by Mr. Mircea Druc, prime minister of the Republic of Moldova.

[Roman] I have already embarked upon the road of building this economic bridge. Thus, the Republic of Moldova has some urgent requirements, which we are trying to meet—as much as we can—with priority. For instance, they have a serious shortage of housing. A pretty serious plan is currently being worked out to deal with this issue. Another problem refers to the actual development of various institutions in the Republic of Moldova, a sovereign republic which is currently setting up its own institutions. Here, we can also give them some serious assistance. In the sphere of education, things have also proceeded quite well. Of course, all this does not amount to an economic bridge. A true economic bridge covers the rest of the things, as well. In the current stage, I can assure you that this is an issue which we must resolve.

[Announcer] Mr. Petre Roman's answers to the following questions included his opinions on the communist system as generator of a series of dictatorships and on the complicated and adverse circumstances that prevented Romania, throughout its history, from being in step with Europe. He also commented on accusations leveled against the power in connection with the confiscation of the revolution and on the request of a part of the parliamentary and extraparliamentary opposition that he should resign. At the end of his interview, Mr. Petre Roman extended the following message to the nation on New Year's Eve:

[Roman] You see, in the period of the dictatorship and repression, we primarily experienced two equally strong sentiments: hatred and love. Hatred, with each cell in our body, so as to gain freedom; and desperate love for our children, so as to protect them from that inhuman system and horrible dictatorship. I believe we hated enough. To paraphrase what I said on 20 December, we have had our share of hatred. It is time to look at things from a brighter angle and, first of all, to think. My message is that we should put this ability to think, our skills and professionalism, and our desire to have and accumulate more, which is a good and necessary thing, we should put all this, with love, in the service of what we want to build together. In view of this desire of the

people and citizens, we should do our duty and truly build a place where the people can live and work as they think best, while taking into consideration the society's potential and our overall goals.

Therefore, we love, I would like to tell my fellow citizens—here I am using again words I uttered on 20 December—may God help us have a better year, in circumstances that will not always be favorable and in a construction effort and birth that have their inherent pains; may each man in this country enjoy his bit of happiness, which he fully deserves. And may each one of us have the feeling of belonging to a nation among the world's nations.

Roman Questioned on Future Reforms, Aid

AU2912192590 Belgrade BORBA in Serbo-Croatian 24 Dec 90 p 9

[Danka Dragic report on interview with Prime Minister Petre Roman in Bucharest on 19 December: "I Have a Legal Mandate"]

[Text] Bucharest—Wednesday 27 December 1989. The public knew virtually nothing about the just-elected prime minister of Romania and most of us had never even seen him before. We then painfully put together his portrait for the newspapers, making enquiries all around, to find out that Petre Roman was a university professor (with a doctorate in mechanical engineering), that he had studied in Moscow and Paris, that he speaks several languages, that his mother was Spanish, his father was a pre-war communist, and that he is young (44 years old), which was the only obvious thing.

A Year Later

A year later, Prime Minister Petre Roman received us last Wednesday [19 December] in the same building as the official seat of the government and under quite different circumstances. This was for quite a short interview which had been arranged several days in advance and confirmed several times in the meantime, but considering our interviewee's packed daily schedule and the long list of journalists' requests for interviews, it was uncertain until the last minute.

The fragile political situation in the country, bad economic conditions, citizens' dissatisfaction, the reawakened emotions on the days when candles were being lit in remembrance of last year's victims and the question was more and more frequently being asked of whether they died in vain, and while demonstrators were shouting in the streets "Down with Iliescu, down with Roman" are not conditions under which a prime minister can be relaxed and smiling while receiving journalists and satisfying their curiosity.

Nevertheless, this was in fact the way, attentive and self-confident, that Petre Roman received us for a strictly limited 20 minutes and even answered the most sensitive question of how he viewed the almost daily demands for the resignation of the entire government and of himself personally.

[Roman] They do not effect me. I have a mandate that I was given legally and democratically at multiparty elections and while I continue to enjoy the confidence of the parliament, I have a duty to remain. The only institution that can remove me is the parliament.

Many Romanians have lost confidence in your government. "How many," he interrupted, "the last opinion poll showed support from 58 percent of the population." (Not because of you but because of the presence of members of the old regime in the cabinet).

[Roman] There are none in the government but only in the government's bureaucratic apparatus.

[Dragic] However, General Stanculescu (minister of defense and assistant minister in Ceausescu's time) was also in the old regime.

[Roman] All right, that is a point for you but Stanculescu was retained for his truly positive role in the days of the revolution and afterwards. However, if you look at the other members, there are none from the former composition. However, the government's bodies still contain people who are still linked in their mentality and psychology to the former regime and are opponents of the reform. This was one of our greatest problems—perhaps the greatest.

[Dragic] The opposition is blaming the government for losses in the economy of 25 billion leks. Is that sum correct?

[Roman] The sum is correct, but anyone who criticizes should consider whether the losses are a consequence of the government's actions or the objective evolution from a system which is not completely dead toward a system which is not actually born yet. We have indeed made some mistakes and bad moves, but I am deeply convinced that the economic reform measures are right.

[Dragic] Your reforms have been positively assessed abroad, but have also been vehemently attacked at home.

[Roman] Yes, everyone is telling us that. Your reforms are good but you have great opposition in the ranks of the bureaucrats. I feel this, too.

[Dragic] Are citizens simply afraid of the changes?

[Roman] On the contrary, I think that they want to feel real changes, but how can they see them if the image has stayed the same, if governmental institutions are filled with the same people with unchanged views. It is good that most people understand that things cannot change either easily or quickly. However, at the same time, citizens say: We will not accept new injustice, new inequality, new corruption.

Foreign Aid

[Dragic] Would a new welfare program help in this case?

[Roman] Definitely, the welfare program is an integral part of our policy, but its implementation depends on our financial sources and the strength of these sources is directly determined by the entire economic dynamism.

The prime minister then announced the fact that the Romanian balance of payments deficit presently amounts to slightly more than $1 billion.

[Roman] That is primarily a consequence of the crisis in the gulf and the summer's drought. Agricultural production was even relatively good if one considers the catastrophic drought, but the consequences are the same nevertheless. At the moment, we lack certain foodstuffs and cattle feed, but a special problem is the medicines which we are unable to produce because we are unable to immediately import some vital ingredients.

[Dragic] Foreign aid would be welcome?

[Roman] Of course. Only yesterday, the European Community decided to send food aid to Romania and Bulgaria and provide some credits for energy generation. We are also at the final stage of the procedure for gaining financial support from the IMF, the World Bank, and the Bank for International Settlements.

[Dragic] An IMF mission was recently in Bucharest? (Ceausescu at one time broke off all agreements with the fund, explaining that he would not succumb to international bribery).

[Roman] Yes, they have been here several times. One of their delegations is here now. We are in virtual continual contact with them.

[Dragic] Last December, Romania was the only East European country without a foreign debt and this seemed to be the only positive inheritance from the past. ("I doubt it," Roman commented). What is the situation like nowadays in this respect?

[Roman] Well, we do not have any debts because we have not been given any loans yet. The IMF has to give the green light to this. But in any case, we need loans because the swift repayment of the previous loan has had lethal consequences.

The government's spokesman, Bogdan Baltazar, who was present during the interview, reminded us at this point that we had time for only one more question. So the final question could have sounded indiscreet. Where does the premier live and how much does he earn?

[Roman] The question is all right. I live in a house on the banks of the river Herastrau. This is not the official residence but my own one-storey house of 120 square meters. I receive a salary of 18,000 leks.

The response was accompanied by the humorous comment that this was less than what the "Tarom" pilots are demanding. Their demand is for a salary of 22,500 leks.

[Dragic] Is it better then to be a pilot or a prime minister?

[Roman] If we are talking about wages, then judge for yourself.

Iliescu Receives FSN Steering Council Members

AU3012145890 Bucharest ROMPRES in English 2103 GMT 29 Dec 90

[Text] Bucharest ROMPRES 29/12/1990—On Saturday [29 December], at the Cotroceni Palace, President Ion Iliescu met with members of the Steering Council of the National Salvation Front [FSN].

Present at that meeting, Mr. Claudiu Iordache, first deputy chairman of the National Salvation Front, stated inter alia to the press representatives:

"At the end of an extremely difficult year, for the National Salvation Front and its Steering Council included, we meet with President Iliescu. It is a relaxed meeting which has no special programme and where the only stage manager and master are nostalgia and melancholy. We have found him as we knew him. We are satisfied to see him optimistic and capable of maintaining a high tonus so necessary to a president in such an extremely important and difficult period.

National Bank Governor Explains Banking Reform

AU2812150590 Bucharest ROMPRES in English 1132 GMT 28 Dec 90

[Text] Bucharest ROMPRES 28/12/1990—We have thought and enacted and are now applying a banking reform and not a currency stabilization, that is a "confiscation" of the disposable funds in circulation, most of which are in the hands of the population, Mr. Mugur Isarescu, governor of Romania's National Bank, said in an interview with the daily "TINERETUL LIBER." The restructuring we are undertaking, he added, aims at setting up a banking system to suit a market economy and is part and parcel of the process of transition from central planning to a market economy. That process will naturally include also the revaluation of the national currency combined with the complex phenomena of privatization, economic restructuring, price liberalization and the passage to convertibility. Our intention, the national bank governor stressed, is by no means to equalize monetary accumulation resulting from the privatization process in the economy through confiscation methods of currency stabilization.

In his opinion, the main cause for inflation pressures in Romania is the low and, unfortunately, ever lower consumer goods supply combined with the increase of incomes in disproportion to the evolution of production and labour productivity, as well as certain economic

structure elements and an incongruous price system, all inherited from the former regime. Within that framework, it is the duty of the banking system to reshape monetary and credit policies and at the same time stimulate an efficient and profitable production of consumer goods so as to meet the market demand.

He said that a number of bills had been submitted to parliament which are meant to create the necessary framework to reinstate the banking and credit system to its normal functions.

Referring to talks he had had with representatives of international financial institutions such as IMF, the World Bank, the European Bank for Reconstruction and Development, and with governors of central banks from the main Western countries, Mr. Isarescu said various topics had been approached concerning the relations with those institutions and possibilities of cooperation had been outlined consisting of technical assistance, personnel training in the banking field and support in getting international financing for the process of development and economic reform in Romania.

Stolojan Presents Budget With 37 Billion Deficit

AU2812194790 Bucharest ROMPRES in English 1900 GMT 28 Dec 90

[Text] Bucharest, ROMPRES 28/12/1990—We are not happy and nobody in the Ministry of Finance can be happy because the draft budget for next year shows a deficit, stated Minister Theodor Stolojan at a news conference on Friday, December 28.

While mentioning that the draft budget of the central administration for 1991 was submitted to the parliament for debate, Mr. Theodor Stolojan specified it showed a deficit of 37 billion lei which accounts for two percent of Romania's gross domestic product.

Our draft budget is based on a hypothesis which presupposes the maintenance in 1991 of at least the level of the production turned out in 1991 and a small increase of up to one percent. It is an optimistic hypothesis taking into account the shocking prices for crude and the restructuring of relations among the former CEMA member countries, elements which will have a strong impact on the Romanian economy in 1991. The 37 billion lei deficit is an expression of a contradiction between the limited resources of the central administration's budget and the particularly great demands for funds in the sociocultural sector, in defence, social security included. This deficit is an outcome of the pressures in the sphere of consumption rather than in investments, the minister specified.

Referring to the tendency of drastically cutting the allocations for investment in the central administration's budget, Mr. Stolojan said their share dropped from 46 percent in the total expenditure in 1989 (135 billion lei), to 20 percent in 1990 (60 billion lei), and to the estimated 12 percent (nearly 31 billion lei) in 1991, these figures expressing comparable prices.

Almost half of these 31 billion lei are earmarked for national defense, the minister also said. The lower contribution of the central administration's budget to financing investments is a normal phenomenon considering the transition to the market economy which represents the replacement of the administrative earmarking of resources for investments by their direct supply from the economic agents. Though this should be a positive phenomenon, unfortunately the financial potential of the national economy also decreased much in financing investments because production went down some 21 percent while expenditure per unit product went up. Consequently, all this led to cutting down the profit usable for investments, the minister pointed out.

Despite all this the Romanian minister of finance assesses there is money for investment in the economy. So, according to the experts' calculations, the economic agents hold more than 35 billion lei in bank accounts, while the population's deposits with the saving banks have risen 37 billion lei. Likewise,, the population's money grew 12 billion lei in 1990.

If all these resources the economic agents and the population have at hand were mobilized, part of the state's investment effort could be spared. Nevertheless the condition is that investments should comply with the demands of those who have money, Mr. Theodor Stolojan also said adding that the budgetary deficit is a mere matter of transition but it satisfies nobody and can in no way be passively admitted. We shall endeavour, and we think parliament can help us here, to find solutions apt to maintain it within the planned limits and even to lower it.

As long as I am the minister of finance, I am determined to deviate none in the least from the laws regarding the budgetary balance. If the parliament votes the draft with this deficit, when the deficit is exceeded, I shall stop all payments and by no means shall I print money, underlined Mr. Theodor Stolojan. We also have a variant of a balanced budget but it implies several options, inclusive of the application of the second stage in price liberalization and of the social security measures starting January 1, 1991, the minister said adding, while referring to certain difficulties occurred in the first price liberalization phase, that any delay is, from an economic point of view, detrimental to carrying through the reform which must be completed as soon as possible.

Finance Minister Comments on Fiscal Reform

AU2912144190 Bucharest ROMPRES in English 1041 GMT 29 Dec 90

[Text] Bucharest ROMPRES, 29/12/1990—"The Romanian Government has decided to reform the fiscal system with effect as of 1 January 1991," said Finance Minister Theodor Stolojan.

"Contrary to what is commonly believed, said the minister, the degree of fiscality, which is practically the burden of taxes and dues borne by individuals and economic agents, is nowadays much lower in Romania than in Hungary, Poland or other countries."

Mr. Stolojan announced some of the measures for 1991, meant to back the fiscal reform. Among them and due to come into effect as of 1 January 1992, is the value added tax (VAT), which will be prepared on the advice of foreign experts, IMF in the first place. The profit tax will also represent, in his view, "an important step forward of the fiscal reform; it is not perfect, but this is all we can do for the moment."

In the near future, income taxes will be levied, replacing, in a first stage, the present system which has generated social inequities. It is only natural that as soon as incomes begin to differentiate, the beneficiaries of higher incomes should contribute to the budget accordingly. The first move in this respect will be so conducted as to protect the citizens' incomes.

Speaking of the bachelorhood tax, he said this would be abolished, while parents will benefit from a lower individual income tax.

Anyway, the minister specified, none of the fiscal measures will be enforced, except maybe for some urgent ones, before the corresponding draft laws have been advised by IMF and OECD experts.

TAROM Airlines Dismantled by Government

AU2812180790 Bucharest ROMPRES in English 1721 GMT 28 Dec 90

[Text] Bucharest, ROMPRES 28/12/1990—The TAROM state airlines have been dismantled and, under government resolution, the setting up was decided of the TAROM Romanian Airlines Commercial Company S.A., shows a release of the Romanian Government issued on Friday, December 28.

The step was taken because of the unjustified extension of the strike of the TAROM navigating staff [pilots] who had claimed, among other things, an immediate five-fold pay rise, the dismissal of the company's administration as a whole, the granting of a preferential customs regime and a lowering of number of flight hours required for pay.

As the negotiations with the union failed and "in consideration of the material and moral damage generated for the TAROM and the country's economy by the unjustified extension of the strike" the release shows, "upon the prime minister's order a government commission of investigation was appointed to analyze the situation, assess the damage and establish the way of retrieving it."

The pays of the navigating staff that will be employed in the new share-holding TAROM company are to be established, the communique shows, in negotiations to be conducted according to the regulations regarding the pay of the personnel of the commercial companies.

The TAROM staff fired as a result of this transformation benefits from the pay and seniority extra, according to the case, which it had prior to this measure, until hired again, or by unemployment benefit, no more than three months though, the communique mentions.

Domokos' Statement on Military Maneuvers Rebuffed

AU3012165790 Bucharest ROMPRES in English 1612 GMT 30 Dec 90

["Political Life: On Behalf of the Ministry of National Defence"—ROMPRES headline]

[Text] Bucharest ROMPRES 30/12/1990—In connection with certain assertions made at the Romanian Television by Mr. Geza Domokos, the Press Department of the Armed Forces made the following specifications:

The battle training programme of the military commands, large units and units approved by the legal fora is carried out at various intervals during the whole year in order to maintain the fighting efficiency of the Armed Forces for the defence of the country's independence, sovereignty and territorial integrity as well as of the constitutional order.

The battle training, the maneuvres with troops included, is carried out on the entire national territory in various conditions of terrain and weather, both day and night.

The Armed Forces as fundamental institution of the state are not involved in the political parties' and formations' spheres of influence, their only policy being that of defending Romania. That is why we categorically reject any interference affecting the Armed Forces' training to fulfill their tasks. The Romanian Armed Forces, loyal to the people and to the democratic values promoted by the December 1989 revolution, do not ask for Mr. Geza Domokos' approval regarding the way, place and time when battle training activities are carried out.

We specify that Mr. Geza Domokos' assertions during the aforementioned television programme according to which on Christmas days maneuvres were made on the territory of Harghita and Covasna Counties are completely groundless. On those days the military units, in keeping with the plan approved by the ministry's command, carried out activities to celebrate the first free Christmas, to evoke the Armed Forces' contribution to the victory and defence of the December 1989 revolution, to pay homage to the memory of the heroes, soldiers dead in the fight for freedom and democracy.

People's Front Thanks Gorbachev for Initiatives

AU0101200391 Bucharest Domestic Service in Romanian 1800 GMT 1 Jan 91

[Text] The Bucharest branch of the Romanian People's Front has sent a message to the president of the Soviet Union, Mikhail Gorbachev, expressing thanks for the initiatives and achievements in past years thanks to which humanity has freed itself from totalitarianism and has embarked on the difficult road of establishing democracy in which respect for man, his needs, and his aspirations for freedom finally have chances for asserting themselves.

The same feelings of recognition and understanding, which you and the peoples of the Soviet Union have shown to the Moldovan Republic, the message sent through ROMPRES stresses, are harbored also by the Romanians between the rivers of Dniester and Prut, who of late, however, note that their aspirations for independence and sovereignty are on the verge of collapsing.

The message then requests, among other things, the denunciation of the Molotov-Ribbentrop Pact of August 1939, on the basis of which Bessarabia and north Bukovina were forcibly ceded to the Soviet Union. Siding with the recently reunited forces in the Moldovan Republic—with the National Alliance for Independence, the message continues, please accept a constructive dialogue with that group to the benefit of all. In the hope that our modest voice will be heard and understood by you, we want to express thanks to you with special respect. May wisdom prevail over the thirst for power and may the need to make friends and not enemies convince you and the peoples of the Soviet Union, the message of the Bucharest branch of the Romanian People's Front concludes. This message has been broadcast by ROMPRES news agency.

Deputy Demands War Reparations, Lands Back

AU3012144690 Bucharest Domestic Service in Romanian 0500 GMT 30 Dec 90

[Excerpts] The current year's last meetings of the two chambers of parliament were held yesterday. [passage omitted]

In a statement made for our radio station at the end of the proceedings of the Deputies Assembly, Mr. Ingmar Brandtsch, deputy of the Democratic Forum of Germans in Romania, emphasized the importance—for the German minority—of making the provisions of Decree-Law No. 118 of 1990 also applicable to people deported abroad after 23 August 1944.

In this sense, the deputy specified, the Democratic Forum of Germans in Romania has proposed the promotion of reparative measures for the Germans in our country, who suffered especially in the wake of the war. He demanded that those who were deported in January 1945 and taken to forced labor camps in the Soviet Union receive the same advantages that people who were detained for political reasons benefit from. Another very important measure which was mentioned by Deputy Ingmar Brandtsch is returning—at least partially—the lands which were taken from German farmers in Romania in 1945, a measure to be introduced in the form of an amendment to the land law that is being discussed by the Deputies Assembly.

Joint Trade Agreement Signed With Albania

AU2712183590 Bucharest ROMPRES in English 1736 GMT 27 Dec 90

[Text] Bucharest ROMPRES, 27/12/1990—Three accords were signed in Bucharest on December 27, on the continuation and development of the Romanian-Albanian commercial relations.

The three documents the accord between Romania's Government and Albania's Government on goods exchanges and payments in 1991-1993, the protocol between the two governments on goods exchanges and payments in 1991 and the protocol on the liquidation of the balance of the account in rubles and of other mutual obligations that would result on December 31, 1990, were signed by Constantin Fota, minister of commerce and tourism of Romania, and Shane Korbeci, minister of foreign trade of Albania.

Loncar Discusses Gulf With De Michelis, Genscher

LD3112130190 Belgrade TANJUG Domestic Service in Serbo-Croatian 1202 GMT 31 Dec 90

[Text] Belgrade, 31 Dec (TANJUG)—Federal Foreign Affairs Secretary Budimir Loncar had talks by telephone today on the possibilities of a peaceful solution to the crisis in the gulf with Gianni de Michelis, the foreign minister of Italy and president of the EC Council, and German Foreign Minister Hans-Dietrich Genscher on whose initiative a ministerial meeting of the European Twelve will be held on 4 January for the purpose of considering this problem.

TANJUG's diplomatic editor has warned that Loncar, following his mission to Baghdad, which provoked great interest in the world, especially in official circles, also sent messages to the ministers of the five member countries of the Security Council. As far as one can learn, the messages express the view that there are real possibilities of avoiding war in the gulf and initiating a dialogue on roads to a peaceful solution to the crisis.

It has also been learned that the visit and the assessments of Foreign Secretary Loncar, especially after his lengthy talks in Baghdad, above all with President Saddam Husayn, are being considered as important elements of hope for a political solution to the gulf crisis.

The activity of Yugoslavia so far, especially the forthcoming journey of the federal secretary to Saudi Arabia, bears witness in the most direct way to its great involvement at this point in the gulf crisis.

Albanians Continue Crossing Border to Macedonia

AU3112212890 Belgrade BORBA in Serbo-Croatian 21 Dec 90 p 12

[Unattributed report: "165 Albanians Fled to Macedonia"]

[Text] Ohrid—Since the beginning of this year, 165 Albanian citizens fled to Yugoslavia over the border between Debar and Resan in the Socialist Republic of Macedonia. The refugees are crossing the border by both land and water. One of the most frequently mentioned reasons to the magistrates in Ohrid, who are granting 30-day prison sentences to the refugees for illegally crossing the border, is that they "are fleeing because they do not agree with the regime." The last group of three persons crossed the border two days ago.

The number of fugitives has recently increased so much that the Ohrid District Court is already encountering problems in buying food for the refugees.

Albanian refugees stay here to serve their sentence and are then passed to the High Commissariat for Refugees in Belgrade.

Macedonian Daily Critiques Situation in Albania

AU3112212490 Skopje FLAKA E VELLAZERIMIT in Albanian 26 Dec 90 pp 1,6

[Mahi Nesimi report: "Intensive Phase of Pluralist Political Activity"]

[Excerpts] [passage omitted] Even members of the Initiating Commission of the Democratic Party are convinced that the Albanian Workers Party [PPSh] aktiv (what we in Yugoslavia would call a party conference) will make radical changes in the party's program. They told us that a group of various experts has been formed within the PPSh to study the Democratic Party's program, so that they will be able to oppose it with their own. If the PPSh makes radical changes to its program, the Democratic Party will have a very difficult time; there is a lot of talk about Ramiz Alia, the leader of the Albanian party and state, trumping all the Democratic Party's aces with great skill, because he is democratizing the country very fast, and the changes in the state and party organs, the resignation of Nexhmije Hoxha, the removal of the busts of Stalin, and the moderate response of the forces of order in the recent conflicts have all been demands the people have supported. Therefore, the new leaders will have nothing left to offer the people. In this way, all the political developments are judged to be in Ramiz's favor.

However, the PPSh is among the foremost factors responsible for the burden of the past, and so one hears from all sides that voters in the forthcoming elections will find it difficult to commit themselves to the candidates which the PPSh, the Democratic Front, and the other associations in Albania will propose. Only people who have not been in power, have not been compromised before the people, or have not lived privileged lives will have good chances of winning. [passage omitted]

There were also other events and religious and cultural celebrations in Albania yesterday and today. Virtually the entire population of northern Albania was in churches and cemeteries to celebrate the Christmas festival. In Shkoder, we had an opportunity to take part in a Christmas mass at the city's Christian cemetery held in the presence of 30,000 adherents of all religions by Dom Simon Jubani, who was freed 18 months ago from the prison where he spent 23 years. In a short conversation at his home, he told us that he will not become involved in politics, that he does not intend to stand at the head of any political party, and that what happened on Christmas Eve in Shkoder was nothing but the triumph of good over evil and of God over the devil. Returning from Shkoder, we saw that the population was taking part en masse in Christmas celebrations in all the larger settlements and in villages too. Near the town of Lac, some boys complained to us that there are not enough priests, etc. A mass was held yesterday evening in Tirana, but with only a symbolic congregation of citizens. [passage omitted]

It is said that many acts of sabotage of various kinds are occurring among working collectives, and the purpose of all these is to slow down the democratic processes, because dogmatists still want the regime's strong hand.

Intensive preparations for the New Year are under way in Tirana. Stores and squares are being decorated. The supply of the market with the necessary foodstuffs has improved somewhat. However, it is about this area in particular that citizens have most to say. They are very discontented with this level of supply. They say that the supply of the market has never been poorer, and they link this with the difficult economic situation prevailing in the country. As they say, many items which had not previously been sold with coupons cannot be bought now, even with coupons. A large number of citizens do not want to hear about any political party, asking which will ensure them material prosperity? The economic situation under the PPSh is evident, but what can the Democratic Party do? Nobody can answer this. [passage omitted]

VMRO Condemns 'Provocations From Bulgaria'

AU0101160591 Belgrade BORBA in Serbo-Croatian 21 Dec 90 p 2

[TANJUG report: "Provocations From Bulgaria"]

[Text] Skopje—The VMRO-DPMNE [Internal Macedonian Revolutionary Organization-Democratic Party for Macedonian National Unity] yesterday addressed the Macedonian nation following, as stated in its communique, the latest provocation from Bulgaria which was made by the "Union of Macedonian Cultural-Educational Societies From Sofia" by changing its name to the VMRO-SMD [Internal Macedonian Revolutionary Organization-Union of Macedonian Societies].

This represents the most impudent demonstration of negative attitudes toward the Macedonian people that are encouraged daily by official Bulgarian policy, the communique points out.

The VMRO-DPMNE also takes the view that this "VMRO organization" from Bulgaria, within its allegedly political program, is offering very transparent and perfidiously sanctimonious cooperation with those parties in Macedonia that will protect it from Serbia.

The communique stresses that the intention of the Bulgarian VMRO provocateurs is not only to compromise the Internal Macedonian Revolutionary Organization-Democratic Party for Macedonian National Unity, which won the free elections in Macedonia, but also to destroy the idea of Macedonian sovereignty and independence.

Jovic's New Year Message Warns of Discord

LD3112152190 Belgrade TANJUG Domestic Service in Serbo-Croatian 1242 GMT 31 Dec 90

[Text] Belgrade, 31 Dec (TANJUG)—We are seeing out what has been for our country an exceptionally difficult year, both in economic and political terms. We are emerging from it with economic results and great hopes that in 1991 accumulated problems are resolved more rapidly, Dr. Borisav Jovic, president of the SFRY Presidency, stresses in this evening's New Year's message to the citizens of Yugoslavia. The reforms which we have begun should open up new prospects for our development. They are not going either as easily or as rapidly as we all wanted. However, the difficulties with which we will be faced can and must be overcome.

We have opted for democracy, a market economy, the rule of law, and human rights as the bases for general progress. We have all the prerequisites for achieving this, as well.

We are also aided by the positive developments in the world, especially in Europe. The Paris summit of CSCE participants has strengthened the system of collective security and created the prerequisites for comprehensive cooperation between the states of Europe, together with the United States and Canada, and thus ensured, in the long term, a stable peace, security, and prosperity.

Yugoslavia today has all the conditions for taking its fate firmly in its own hands on the basis of the common interests and equality of all its peoples. Unfortunately this is opposed by the nationalisms and seperatisms which have grown up, which threaten to diminish the results achieved and turn the trend of development in a negative direction. Discord and the processes of disintegration are threatening to destroy the unity and integrity of the country and even to provoke in our area a new catastrophe of interethnic conflict.

It is expected of all of us that we make additional efforts to reach solutions—in peace, tolerance, patience, and responsibility—to all open questions in the interests of all our citizens and of all of our nations and nationalities so that in the year ahead we open up prospects for comprehensive progress and the development of better interethnic and inter-republican relations. May 1991 be a year in which we will ensure together and with greater harmony and creative work a richer, more peaceful and happier life.

I wish all citizens of the SFRY a happy new 1991, Dr. Borisav Jovic, president of the SFRY Presidency, says at the end of his New Year message to the citizens of Yugoslavia.

Presidency Announces Numerous Military Promotions

AU0101160191 Belrade BORBA in Serbo-Croatian 21 Dec 90 p 1

[V. Krasic report: "Stars for Fifty Generals"]

[Excerpt] By decree of the SFRY Presidency the following lieutenant generals will be promoted to the rank of colonel general: Stojan Asprovski, Dr. Nikola Cubra, Dragisa Drljevic, Slavoljub Djokic, and Ivan Radanovic.

Vice Admiral Ljubivoje Jokic will be promoted to the rank of admiral.

The following major generals will be promoted to the rank of lieutenant general: Vladimir Banjanin, Jevren Cokic, Marjan Cad, Ljubomir Domazetovic, Milosav Djordjevic, Milan Grujic, Tihomir Grujic, Milutin Kukanjac, Tomislav Krajcerski, Teodor Troha, Dusan Uzelac, Vukasin Vilotic, Miodrag Vukadinovic, and Drago Vukosavljevic.

The following rear admirals will be promoted to the rank of vice admiral: Miodrag Jokic and Fridrih Moreti.

The following colonels will be promoted to the rank of major general: Dr. Dimitrije Baucal, Andrija Biorcevic, Dr. Nikola Biukovic, Vladimir Brdar, Dr. Radovan Djuric, Velibor Jovanovic, Ismet Krasnici, Trajce Krstevski, Dr. Mirko Marinkovic, Risto Matovic, Dusan Merzel, Ratko Milicevic, Nikola Mladenic, Miladin Mojsilovic, Mirko Nikolovski, Trajko Postolovski, Milosav Radmanovic, Mihajlo Radojkovic, Janez Rebolj, Dr. Tihomir Stanisic, Mihajlo Tripkovic, Aleksandar Vasiljevic, Dragoje Vasovic, Vidak Mujovic, and Risto Zerajic.

The captains of navy ships, Vladimir Borovic, Marjan Vladimir Lovro Pogacnik, and Dr. Milosav Simic have been promoted to the rank of rear admiral. [passage omitted]

Sapundziju Interviewed on Presidency, Kosovo

AU0101211791 Belgrade BORBA in Serbo-Croatian 22-23 Dec 90 p 14

[TANJUG report: "Silence—Social Amorality"]

[Text] Pristina—SFRY Presidency member Riza Sapundziju has announced in an interview with the magazine "KOHA" (TIME) (an independent Albanian-language publication printed in Zagreb) that even the Presidency is now behaving like "a mini-parliament, which is definitely not a good thing." Sapundziju added that Presidency members are under pressure from the republics and provinces so that they behave in the way that the republics and provinces behave. According to him, this creates a great division, and such a modus operandi could lead to a blockade in the work of the Presidency.

In reply to a comment by the journalist that he represents a federal unit which actually has not existed since 5 July and the suspension of the Assembly and Executive Council of Kosovo, Sapundziju said that "this undoubtedly involves an anomaly," especially as our society is organized on a delegate basis. "I, like the Kosovo delegates in the Federal Assembly, have been left without a constituency so it could be said that our status is also unconstitutional," Sapundziju stated. When it comes to the suspension of the provincial Assembly and its organs, Sapundziju thought that "it cannot be justified with constitutional reasons but with more political ones."

In reply to a question on what he thought about Kosovo today, Sapundziju said that "a segregationist policy was being most crudely implemented in Kosovo in all fields and that this was being done by crude chauvinist executors."

"The entire Yugoslav society knows about all this, but they are keeping quiet about it. Therefore, not one single republic or province can avoid responsibility." Sapundziju said that this silence was "social amorality."

"Kosovo is also discussed in the SFRY Presidency from time to time, but I am not satisfied with the results of these discussions because I personally advocate that all those rights that are guaranteed by the existing Constitution be restored to the province. Apart from that, I think that one should scrap all measures which are mainly being taken against Albanians, and I am of the opinion that there can be no stability in Yugoslavia until the Kosovo problem is resolved."

"Considering the size of the Albanian population in Yugoslavia, they cannot be treated as an ethnic minority. As a people, Albanians are one of the important subjects of the Yugoslav community; they consider this country their homeland; and they would be active in preserving its integrity to the end." The world is insisting on the preservation of Yugoslavia and I would not lend support to separatist and secessionist demands. Albanians "are in fact demanding the right to be legally-recognized subjects in their homeland, so who then can deny a population the right to be a legally-recognized subject?" Sapundziju said. In answer to a question on what to do next, Sapundziju said that "one should not on any account give in to defeatism. An active battle for further democratization must develop in our province, a legal struggle for what we think is a right on the basis of the existing federal Constitution."

Sapundziju was also "convinced that the entire Yugoslav population understands the Kosovo reality and that it will support suitable solutions so that the people in Kosovo feel free and feel Yugoslavia is their homeland."

Croatian Court Issues Ruling on Serbian Autonomy

LD3112143890 Belgrade TANJUG Domestic Service in Serbo-Croatian 1249 GMT 31 Dec 90

[Text] Zagreb, 31 Dec (TANJUG)—At today's session the Constitutional Court of the Republic of Croatia adopted a decision halting the promulgation of individual acts and actions undertaken with the establishment of the decision of the municipal assemblies of Benkovac, Vojnic, and Dvor to accept a statute "of the Serbian autonomous region of Krajina" and the decision to promulgate this "statute."

This decision, the statement says, has been adopted by the Constitutional Court of the Republic of Croatia because it is assessed that these decisions could have irreparably harmful consequences for the constitutionally established system of the Republic of Croatia and the unity and indivisibility of the state's territory.

"In furthering its action the Croatian Constitutional Court will also annul the decisions of other municipal assemblies which have accepted or would accept the so-called statute "of the Serbian autonomous region of Krajina, as well as assess the constitutionality and legality of the decision of the municipal assemblies to establish this autonomous region."

At the end of the statement, the Croatian Constitutional Court recalls that as far back as 28 August 1990 it adopted a decision to annul the acts of the municipal assemblies on the foundation and constituting of the Community of Municipalities of Northern Dalmatia and Lika. "Hence this community does not exist in law, and any invoking of this community is in direct contradiction with the Constitution, and is against the law."

Croatia Orders Protection of Army Installations

AU0101210791 Belgrade BORBA in Serbo-Croatian 21 Dec 90 p 12

[V. Krasic: "Telegrams as Shots"]

[Text] As we have learned from reliable sources, on 11 December, the Information and Alert Center of the Republic of Croatia sent the following message to communes (probably all communes in Croatia; we know about 17 of them): "Ensure a constant watch of garrisons and all of the more important facilities on the territory of your commune. Be prepared and ready to act in garrisons and other facilities according to the established tasks. Do not allow yourself to be provoked and do not under any circumstances start any action first."

Additional instructions, in the form of a telegram, were sent to some communes.

—Sibenik received the telegram: "Be ready for action in the garrison and ammunition stores."

—The city of Split "must be ready to block the navy and the military-naval district."

—The following applies to Zadar: "Be prepared to act in the garrison (disarm the garrison and the ammunition store), and seize ammunition and weapons."

—Otocac must be "prepared and must disarm the garrison, but if this is not feasible, must set the garrison alight."

—Virovitica received a telegram which demonstrates the broadness of the action: "Be ready for disarming the garrison and border units."

—Sinj appears to be trusted more than anybody else and hence the message: "Prepare yourself and be ready to attack the barracks and storage, but if these cannot be taken over, burn down the St. Rok."

—Djurdjevac should be "ready to block and disarm border units."

The Croatian Democratic Community's headquarters in Zagreb distributed internal instructions to its subordinate centers to keep a constant watch in the communal committees and local communities, and to report regularly every two hours. Moreover, it also sent an advisory and warning to the gentlemen (and ladies) who are obliged in writing to report to "duty to the committees for self-protection." Their attention is also drawn to "dignity, without theatricalism and guards."

Osijek sent a telegram to its police stations on 12 December in which it instructs them to "ensure a constant watch of the garrisons and all of the more important facilities in the commune. Be prepared and ready for action in garrisons and other facilities according to the previously established tasks. Do not allow anybody to provoke you and do not under any circumstances start the action first." Otherwise, Branimir Glavas, secretary of the communal Secretariat for National Defense, is already famous here, since not all that long ago he arrested and disarmed two militiamen and is now facing criminal charges.

At a meeting held on Monday, 17 December, the heads of police stations in Karlovac were given the precise stands of the Ministry for Internal Affairs of Croatia: "Open fire on the members of the Army if they try to enter the station by force. If they come without any obvious aggressive intentions, call the military police to clarify what is going on." That some policemen in other police stations have taken such instructions very seriously (and they are identical to those received during training) is confirmed by an incident in Pazin, where a recently promoted policemen pulled his gun on an officer who was peacefully approaching a militia patrol.

Other state organs have not been spared the measures of increased "alertness and attention." Thus, the Zadar district public prosecutor's office received a telex (14 December) from the Ministry for Administration and Justice of the Republic of Croatia which states: "Considering the events that are going to take place in the republic, you are expected to introduce the necessary measures of readiness. It is necessary to make all efforts so that, if the order is issued, the measures of readiness of the first degree can be implemented immediately."

Poll Tracks Croatian Politicians' Popularity

AU0101163491

[Editorial Report] Zagreb VECERNJI LIST in Serbo-Croatian on 18 December on page 6 carries a 900-word report by Zelimir Zanko on the results of a public opinion poll on the expectations from the new Croatian authorities carried out by VECERNJI LIST and a VJESNIK's research team, entitled "Tudjman's Popularity Is Growing."

The report does not contain any information on how the poll was conducted nor what the size of the sample was.

The results of the poll show how the popularity of Croatian politicians changed over a period of 200 days. The results are presented in a bar chart as follows:

Table 1. "Popularity ratings of Croatian politicians in power (after 100 and 200 days)"

[figures show the percentage of respondents with "favorable or mainly favorable" opinions]

	After 100 days	After 200 days
1. Franjo Tudjman	81.5	82.3
2. Stipe Mesic	78.4	81.2
3. Zarko Domljan	69.2	74.1
4. Vladimir Veselica	60.9	67.9
5. Antun Vrdoljak	66.7	63.8
6. Vladimir Seks	61.262.3	
7. Simo Rajic	61.4	62.0
8. Martin Spegelj	—	62.0
9. Josip Manolic	52.1	61.9
10. Ivica Racan	56.9	61.6
11. Josip Boljkovac	55.7	58.8
12. Zeljko Mazar	54.2	55.7
13. Dusan Bilandzic	45.2	52.6
14. Vlatko Pavletic	47.1	50.6
15. Sime Djodan	41.2	46.7

Slovenia Said Not Seeking Markovic's Resignation

LD0101124291 Belgrade TANJUG in English 1146 GMT 1 Jan 91

[Text] Ljubljana, 1 Jan (TANJUG)—Prime Minister of the Yugoslav Republic of Slovenia Lojze Peterle feels that Yugoslav federal Prime Minister Ante Markovic should stay on as a caretaker prime minister in the transitional period, until a new accord on relations between the Yugoslav republics is reached.

In a New Year's interview to the Ljubljana daily DELO, Peterle said that it would not suit Slovenia if Markovic was to resign, because "it would be very hard to find another personality who could win political consensus in the country in the transitional period."

Peterle said he suspected that the Republic of Serbia was uncontrollably printing money and, thereby, annulling the efforts made to combat inflation. He set out that, if the suspicions were right, Serbia was actually committing an "attack on Yugoslavia as a whole".

Peterle set out that, should Slovenia find evidence that Serbia was printing money, it would protect itself by introducing its own currency.

The Slovene prime minister said that the introduction of a Slovene currency was a "realistic option" and could take place "very soon." He specified that, if introduced, the Slovene currency would be linked to the German mark or the ECU [European Currency Unit].

Slovenia's Drovsek Sees Solution to 'Crisis'

LD0101120191 Belgrade TANJUG in English 1032 GMT 1 Jan 90

[Text] Zagreb, 1 Jan (TANJUG)—Member of the Yugoslav State Presidency of the Republic of Slovenia Janez Drnovsek has said in a New Year's interview for the Zagreb weekly DANAS that a solution to the Yugoslav crisis should be expected next year through a dialogue.

Drnovsek said that the Yugoslav republics were starting the new year with more or less consolidated negotiating positions for reaching agreement on the country's future.

The Yugoslav Presidency member said the population should not expect greater salaries and a higher standard of living.

Assessing outlooks for the implementation of the economic program of the government of Ante Markovic, Drnovsek said they were "very slight" and added that the program was undermined by the country's political instability.

Kucan, Drnovsek Retain Popularity in Slovenia

AU0201113191 Belgrade BORBA in Serbo-Croatian 25 Dec 90 p 12

[Unattributed report: "Kucan Is the Man of the Year"]

[Text] Ljubljana—Milan Kucan, president of the Presidency of the Republic of Slovenia, was named the man of 1990 in Slovenia. According to a poll carried out by the "Wave 202" of Radio Ljubljana, Dr. Janez Drnovsek is the man of the year in Yugoslavia, and Mikhail Gorbachev in the world.

Among the least popular people in Slovenia is Joze Pucnik, president of Demos [United Opposition]. The least popular person for listeners of "Wave 202" in Yugoslavia was Slobodan Milosevic, president of the Presidency of Serbia, and Iraq's President Saddam Husayn in the world.

The radio station polled more than 1,000 listeners who voted primarily for politicians and rarely for famous people in other walks of life.

Bosnian SDS Head on Ties With Serb Socialists

AU3012202590 Sarajevo OSLOBODJENJE in Serbo-Croatian 14 Dec 90 p 4

[Dj. Kozar report on interview with Dr. Radovan Karadzic, president of the Serbian Democratic Party of Bosnia-Hercegovina: "The People Do Not Support Vuk"; place and date not given]

[Excerpts] The triumph of the Socialist Party and Slobodan Milosevic at the first postwar multiparty elections

in Serbia met with approval among members of the Serbian Democratic Party [SDS] of Bosnia-Hercegovina. Even before these elections, the leadership of the SDS in Bosnia-Hercegovina had given its support to the Socialist Party of Serbia and Milosevic, assessing that this would be the most appropriate solution for the Serbian people and the further development of the Republic of Serbia. Explaining this support, Dr. Radovan Karadzic, president of the SDS in Bosnia-Hercegovina, said that this was done because the SDS does not see the Socialist Party of Serbia as a Bolshevik organization and the Serbian opposition had demonstrated total confusion and a lack of political and historical sense.

Points of Contact

Our predictions on the development of the political situation in Serbia came true, Dr. Karadzic said. Does the catastrophic defeat of the Serbian opposition not confirm that most of the people have never believed in it? We want the ruling party in Serbia to have an even greater sense of responsibility toward the Serbian people and the Serbian state, but we would also like it to have a strong opposition even if balance were to be achieved between the legitimate authorities and the opposition.

Dr. Karadzic said that the SDS of Bosnia-Hercegovina had been cooperating for a very long time with the Serbian opposition, while relations with the Socialist Party were established recently, first of all with Petar Skundric. Speaking about meetings with Slobodan Milosevic, he stressed that a dialogue was conducted with him, but not as head of the Socialist Party of Serbia but as the president of the Serbian state.

What are the future prospects for relations between the SDS of Bosnia-Hercegovina and the Socialist Party of Serbia?

The Socialist Party of Serbia is still somewhat more left-wing than us, Dr. Karadzic underscored. We are a party of the democratic center with a social program and elements of social justice and this is less compatible with a social democratic orientation and more compatible with the orthodox spirit of the Serbian people. I believe that the Socialist Party of Serbia will also finally find itself in the middle of the political spectrum and that we will then be closer. [passage omitted]

We will cooperate well with the mother state of Serbia and its organs of authority, which we in the SDS of Bosnia-Hercegovina think is natural and essential, Dr. Karadzic said. This is being said for the first time in Bosnia-Hercegovina without fear of repression. Under the communist regime, Serbs in Bosnia-Hercegovina were not allowed even to think about such a thing, let alone whisper about it.

Frustrated Boycott

What about the party's attitude to the Serbian Renewal Movement, which has its own branches in Bosnia-Hercegovina? The president of the SDS in Bosnia-Hercegovina maintained that a considerable number of these young men in the Serbian Renewal Movement were acceptable to the SDS. Most of them did not obey the advice of Vuk Draskovic that the Serbs should boycott the elections in Bosnia-Hercegovina but, Karadzic stressed, "they went to the polling stations and voted for SDS candidates, particularly in Hercegovina." He added that the SDS of Bosnia-Hercegovina "does not have anything against the Serbian Renewal Movement appearing on the political stage in Bosnia- Hercegovina and trying to please the Serbian people." However, Dr. Karadzic continued, some preelection activities by Vuk Draskovic and his followers could have brought misfortune to the Serbian people. [passage omitted]